9th Annual Report

एन यू पी पी एल

NUPPL

Neyveli Uttar Pradesh Power Limited

2020-21

Vision

- To emerge as a leading Power Company in the State of Uttar Pradesh and continue to be socially responsive.

Mission

- Strive towards greater cost competitiveness and work towards continued financial strength;
- Continually imbibe best practices from the best Indian and International Organisation and also adopt environment-friendly technologies for Power Generation;
- Be a preferred Employer by offering attractive avenues of career growth and excellent work environment and by deploying human resources to match International standards;
- Play an active role in society and be sensitive to emerging environmental issues.

BOARD OF DIRECTORS

Shri Rakesh Kumar
Chairman

Shri Shaji John
Director

Shri Jaikumar Srinivasan
Director

Shri Ajit Kumar Tewary
Director

Shri Ranjan Kumar Srivastava
Director

Shri Rajnish Kwatra
Director

Key Managerial Personnel

Shri Mohan Reddy K
Chief Executive Officer

Shri Ashok Kumar Mali
Chief Financial Officer

CHAIRMAN

Shri Rakesh Kumar

DIRECTORS

Shri Rajnish Kwatra

Shri Shaji John

Shri Jaikumar Srinivasan

Shri Ajit Kumar Tewary

Shri Ranjan Kumar Srivastava

CHIEF EXECUTIVE OFFICER

Shri Mohan Reddy K.

CHIEF FINANCIAL OFFICER

Shri Ashok Kumar Mali

COMPANY SECRETARY

Shri Nikhil Kumar

STATUTORY AUDITOR

Seth & Associates,
Chartered Accountants,
90- Pirpur Square,
Lucknow – 226 001.

SECRETARIAL AUDITOR

CS Gunjan Goel,
Practicing Company Secretary,
C-4/152, Vikas Khand,
Gomti Nagar,
Lucknow – 226 010.

PRINCIPAL BANKERS & FINANCIAL INSTITUTIONS

Power Finance Corporation Ltd.
REC Ltd.
State Bank of India.

REGISTERED OFFICE

6/42, Vipul Khand,
Gomti Nagar,
Lucknow – 226 010,
Uttar Pradesh.

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DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2020-21

To
The Members,
Neyveli Uttar Pradesh Power Limited.
Your Directors have great pleasure in presenting the Nineth Annual Report of your Company together with the Audited Statements of Accounts, Auditors' Report and the Report of the Comptroller & Auditor General of India on the Accounts for the Financial Year ended on 31st March, 2021.

Project Profile

As members may be aware that your Company is setting up 1980 MW (3 X 660 MW) Coal based Ghatampur Thermal Power Plant (GTPP) at Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh. The Government of India (GOI) had accorded sanction for the project on 27.07.2016 at the revised Capital Expenditure of ₹17,237.80 crore with base date of Dec-2015 and the schedule for completion of the project is 52 months, 58 months and 64 months from the date of GOI sanction for the 1st, 2nd and 3rd unit of 660 MW each, respectively.

Your Company is also developing Pachwara South Coal Block (PSCB) at Dumka District in the state of Jharkhand, having net Geological coal reserve of 373.52 MT, to cater to the coal requirement of GTPP.

Land

Your Company has already acquired 791.61 Hectare (Ha) of land for the Ghatampur Thermal Power Plant through government notification, covering a major portion of the land required for the project. Action has been taken for acquiring balance 52.33 Ha of un-notified pockets of private land through direct purchase from the land owners, under the direction and supervision of Kanpur Nagar District Administration. As on 31.07.2021, out of 52.33 Ha. pocket land, 46.23 Ha. of land has been acquired (45.67 Ha. as on 31.03.2020). Additionally, 181.43 Ha. land is required for construction of Railway Siding for Ghatampur Thermal Power Plant for which the Company has obtained approval of the District Administration for acquisition of land through direct purchase from the land owners. As on 31.07.2021, out of 171.84 Ha. private land, 161.41 Ha. of land has been acquired (125.99 Ha. as on 31.03.2020). Also. 4.82 Ha, Govt land has been acquired as on 31.07.2021 (0.22 Ha. as on 31.03.2020).

Water

As already stated in the previous reports, the Government of Uttar Pradesh has accorded sanction for the supply of 80 cusec of water from Western Allahabad Branch Canal (WABC) by saving the water through lining the canal and transferring the same at the downstream near Bidhnu Kasba Village to Ghatampur Thermal Power Plant reservoir at site through underground pipes.

Your Company has entered into a MoU with U.P. Irrigation Department (UPID) on Depository Contributory Work (DCW) basis at an estimated cost of ₹436.30 crore for WABC lining work, construction of cross regulator, construction and extension of head regulator and restoration of bridges. The work is under progress and about 244 KM C.C. Lining work has been completed out of 288 KM.

Your Company has also signed a MoU with U.P. Jal Nigam (UPJN) for laying of water main for 80 cusec water up to reservoir at GTPP. UPJN has issued Letter of Award to M/s L&T construction on 26.10.2017 for the EPC contract of Water Carrier System works with a time schedule of 18 months. Forest Clearance has been issued by Regional Empowered Committee (REC), MoEF & CC, GoI for laying of water pipeline beside NH-86 from Bidhnu canal to GTPP on 06.12.2018. The work for laying of the said pipeline has been completed.

Power Allocation

As already stated in the previous reports, Uttar Pradesh Power Corporation Limited (UPPCL) had already signed a Power Purchase Agreement (PPA) for availing 75% of the Power from Ghatampur Thermal Power Plant (GTPP).

Ministry of Power (MoP) Govt. of India, has allocated balance 1843.68 MW to the State of Uttar Pradesh leaving 136.32 MW as unallocated portion with MoP. Accordingly, UPPCL has been requested to make suitable amendment to the existing PPA. UPPCL has filed a petition in Uttar Pradesh Electricity Regulatory Commission (UPERC) for availing balance power from GTPP & for signing amendment in existing PPA. Various hearing were held in UPERC in this respect and final order of UPERC is awaited.

Coal Linkage (Pachwara South Coal Block)

The Ministry of Coal (MoC), Govt. of India, has allocated Pachwara South Coal Block (PSCB) at Dumka district, in the state of Jharkhand, to your Company, having net Geological coal reserve of 373.52 MT. Coal from the said block will be used as fuel for GTPP. Your Company has already signed a Coal Block Development and Production Agreement (CBDPA) with the Government of India on 22-02-2017 in respect of Pachwara South Coal Block. Letter of award has been issued to M/s MIPL GCL Infracontract Private Limited., Ahmedabad on 22.10.2018 for the work of Mine Developer and Operator (MDO) for Pachwara South Coal Block, at an evaluated cost of ₹21,228.964 crore.

Geological Report (GR), Mining Plan & Mine Closure Plan have been approved by MoC. Terms of Reference (ToR) for EC has been issued by MoEF & CC in favour of PSCB to carry out EIA/EMP study at PSCB. Application for Forest Stage-I Clearance uploaded in MoEF & CC Portal while the Gazette notification u/s 9(1) & 11(1) of CBA (A&D) Act, 1957 has been issued by MoC. Draft EIA/EMP report has been submitted to Jharkhand State Pollution Control Board, Ranchi for conducting public hearing.

The coal supply for the GTPP is linked to Pachwara South Coal Block (PSCB) which is in early stage of Mine Development. Based on the Company's request, CEA had recommended Coal India Limited (CIL) to supply 0.99 MT (0.33 MT for each unit) coal to GTPP to facilitate commissioning activities, trial run & achieving COD etc. The remaining quantity of Coal is expected to be supplied from the Talabira II and III mine belonging to the Company till commencement of operation of PSCB. In line with the CEA recommendation, CIL has allocated 0.33 MT of coal (0.20 MT from NCL and 0.13 MT from BCCL) for Unit-1. Memorandum of understanding (MoU) for 0.20 MT supply of coal from NCL has been signed on 27.03.2021.

Project Status

Your company has issued Letter of Award to major packages viz. Steam Generator Package (GA1), Turbine Generator Package (GA2), Balance of Plant Package (GA3) and Railway Siding Work. The package contractors have started construction activities since October 2016 and the same are under progress. The revised commissioning schedule of Unit-I, is 01.11.2021, while in respect of other two units, the revised commissioning schedules are 31.03.2022 & 31.07.2022 respectively. Mock Boiler light-up of Unit-1 was done on 26.03.2021. However, delay is expected in commissioning of Units due to ongoing COVID-19 pandemic. Tendering for Flue Gas De-sulphurization Plant package (GA4) under DCB (Domestic competitive bidding) route is under process.

Construction Power Supply, Construction Water Supply works and other infrastructural works like Approach Road, construction of Prefab Quarters, Prefab Hostel, Guest House, Administrative Office Building, Gate Complex, Ware House, Canteen Buildings, First Aid Centre, CISF Barracks, Plant Boundary Wall around the acquired land area of the entire project, Plantation of Trees and various other non-residential buildings like Recreational Club, Auditorium, Sports Complex, Training Centre, Community Hall, School Building, Shopping complex, Permanent Quarters and Hospital Building are completed. As on 31.08.2021, overall physical progress achieved for GTPP was 75.96% against the target of 79.39% and the overall financial progress achieved was 71.62% against the target of 73.69%. During the year, DAV School was inaugurated at NUPPL Township.

Exploratory drilling for detailed assessment of quality and quantity of coal in Pachwara South Coal Block has been completed by drilling 53 boreholes of 11,510 meters and Geological Report, Mining Plan & Mine Closure Plan has been approved by MoC. Civil survey & site survey, Hydro Geological Investigation and Geo-Technical Investigation have been completed.

Achievements during the year 2020-21

1. In GA-1 (Steam Generator & Auxiliaries) Package, Unit-1 Mock Boiler Light-up done on 26.03.2021 and Unit-2 Superheater Circuit Hydro Test was completed.
2. In GA-2 (Turbine Generator & Auxiliaries) Package, Unit-1 TG lube oil flushing completed and Unit-3 TG deck casting completed on 23-03-2021.

3. In GA-3 (Balance of Plant) Package, Start-up power availability completed on 29.01.2021, DCS was commissioned, Raw water reservoir compartment-2 was completed & raw water was taken in reservoir on 12-03-2021, NDCT-1 shell erection was completed and Unit-1 chimney flue can erection was completed.

4. In Pachwara South Coal Block, Gazette notification u/s 7(1) of CBA (A & D) Act, 1957 for intension to acquire land and Gazette notification u/s 9(1) of CBA (A & D) Act, 1957 for declaration of land acquisition was issued by MoC on 31.08.2020 & 16.03.2021 respectively. Geological Report has been approved by MoC on 07.09.2020, Mining Plan and Mine Closure plan was approved by MoC on 11.11.2020, revised Advance Action Plan (AAP) of Rs.3582.61 Lakh was approved by MoC on 14.10.2020 and Terms of Reference (TOR) was issued by MoEF&CC to carry out EIA/EMP study at PSCB on 05.11.2020.

5. In Railway Siding, track laying has been completed for 30 KM.

6. SAP-PS and MM module was implemented on 01-02-2021.

Capital Structure

As on 31st March, 2021, the Paid-up Equity Share capital of the Company was 325,85,32,800 equity shares of ₹10/- each amounting to ₹3258.53 crore subscribed by the Promoters viz. NLC India Limited (NLCIL)and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) in the ratio of 51:49 respectively.

Financial Statement

The key financial details as on 31.03.2021 are as under:

₹ in lakh

Particulars	FY 2020-21	FY 2019-20
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	62,745.48	40,822.68
Right-of-Use Assets	7.76	15.55
Intangible Assets	282.96	-
Capital Work-in-progress	10,45,335.54	8,43,673.45
Financial Assets	2,991.78	3,182.51
Other Non-Current Assets	41,951.70	38,986.06
Current assets:		
i. Financial Assets	13,435.22	2,439.24
ii. Other Current Assets	1,038.12	1,966.28
TOTAL	**11,67,788.56**	**9,31,085.77**
EQUITY AND LIABILITIES		
Share Capital	3,25,853.28	3,05,738.88
Other Equity / Retained Earnings	(1,263.80)	(975.42)
Non-Current Liabilities	7,66,590.08	5,32,287.55
Current Liabilities	76,609.00	94,034.76
	11,67,788.56	**9,31,085.77**

Conservation of Energy, Technology absorption, Foreign Exchange Earnings and outgo and Research & Development

Not applicable as the project is under implementation, however Foreign Exchange outgo during the FY 2020-21 was ₹3,618.99 lakh towards payment to package contractors and project consultancy contract.

Risk Management

Your Company has an approved risk assessment and minimisation procedure. The perceived potential risks along with mitigation measures are being periodically reviewed by the Board.

Compliance under Persons with Disabilities Act,1995

Your Company ensures compliance of provisions under the Persons with Disabilities (PWD) Act, 1995 and as per the guidelines of Department of Personnel & Training (DoPT). Your Company has made certain arrangements / amenities to PWD's to fulfil their requirements so as to enable them to effectively discharge duties.

Compliance under Right to Information Act,2005

Your Company ensures compliance of provisions under the Right to Information Act, 2005. During the year 2020-21, there were 3 applications referred to the Company and the information sought were furnished in time.

Compliance under Public Procurement Policy

The Ministry of Micro, Small and Medium Enterprises (MSME) has notified the Public Procurement Policy and in terms of the said notification, an annual target for the FY 2020-21 for procurement from MSME was at 25% and the achievement was 80%.

Swachh Bharat Mission

In pursuance to the "Government of India's guidelines and the directives, your Company carried out various cleanliness activities to fulfil the Swachh Bharat Mission (Clean India). Your Company performed cleaning activities in and around Plant premises and Township.

Human Resource Management

Your Company has competent and highly motivated human resource significantly contributing to the progress of the Company. Your Company maintains harmonious and cordial relationship among the employees and with other stakeholders that leads to achieving organisational as well as individual goals. The total manpower of the Company as on 31st March, 2021 was 197.

Employees' Welfare and Social Security Schemes

Educational facilities

Your Company is presently running one school at GTPP Township with student strength of 210 nos. The school admit children coming from peripheral villages, wards of employees, contract employees, CISF etc.

Medical facilities

Your Company is on the fore front in aligning the vision of protection, preservation and promotion of health and wellbeing of its workforce with its business plan that support sustainable outcome of the company and drive higher values to the organization. Your Company has established a Hospital at GTPP Township with OPD and 45 bed care facility benefitting employees, contract workmen, CISF and their dependents. Further, for specialized treatments, facilities are provided at reputed empanelled Hospitals at Kanpur and Lucknow.

Employee Development

Your Company has been continuously promoting training, learning initiatives for skills, Knowledge, attitude and competency building for employees and contract workmen. The training program module includes Technical, Functional and behavioural. The total regular employees training man-days was 788 and contract workmen training man-days was around 26000 for the financial year 2020-21.

Industrial Relations

Your Company continues to maintain cordial and harmonious Industrial relations. The Management has a regular system of discussions on common matters which helps to maintain good industrial relations and to create mutual trust and belief among the employees.

Implementation of Official Language Policy

In line with the policy of GoI and the provisions under the Official Language Act, 1963, your Company made all efforts to implement the policy and promote the Official language during the year 2020-21.

Safety

Your Company has undertaken many measures to maintain a safe working environment at work places viz., regular safety awareness training for contract workers, training programme for executives, daily inspection is carried out by Cross functional Team for unsafe act & unsafe conditions and the same is reviewed monthly for compliance of corrective action taken. Mock drill for fire & rescue and Regular safety committee Meeting are being conducted. During the year 2020-21, your Company has achieved 1,25,57,102 Safe men working hours and 1845 numbers of safety training.

Vigilance

In order to sensitize the employees of your Company, proactive, preventive and punitive vigilance activities were undertaken by the Vigilance Department. Besides Surprise Checks, Regular Checks, CTE type examinations, Quality Check and study/inspection had been conducted and various systemic improvements were recommended /achieved. The Vigilance Awareness Programme was conducted on the theme “Vigilant India Prosperous India’’ from 27.10.2020 to 02.11.2020.

Cyber Security

To protect against cyber security threats, your Company has a maze of protective equipment like Network and Web application firewall for perimeter security and antivirus protection to desktops/laptops.

Digital Culture

Your Company has taken the following initiatives while transforming to digital culture:

a. SAP ERP is used as the enterprise software for core business.

b. E-Procurement of products and services through a common portal.

c. Office automation with the product e-office for file and e-Tapal.

d. Email, intranet, SMS services help information dissemination and Virtual Private Network (VPN) has enabled extended office connectivity especially during the pandemic.

e. Video Conferencing, Collaboration tools and virtual meetings are being used for conducting out of office information exchange.

f. E-payments are carried out for all financial transactions.

Compliance Monitoring

Your Company has set up a software based Legal Compliance Management System (LCMS) for effectively monitoring and ensuring compliances of all legal provisions applicable to the Company.

Corporate Social Responsibility (CSR)

Your Company, as a socially responsible corporate citizen, continues to carry out developmental works in the surrounding villages, focusing on the socio-economic development of the operating regions for achieving inclusive growth. In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted the Corporate Social Responsibility (CSR) Committee. The CSR Committee of the Board is monitoring the implementation of the CSR Projects. Your Company has adopted a Corporate Social Responsibility Policy covering the various sectors of sustainable socio-economic development. The Policy is available on the Company's website https://nuppl.co.in/wp-content/uploads/2019/06/CSR-Policy.pdf

As the project is under construction stage, the requirement to spend on CSR activities, under the provisions of Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, does not arise, but in order to comply with the conditions of the Environmental Clearance granted by MoEF & CC for GTPP, the Company is required to spend 0.4% and 0.08% of capital cost of the project as capital cost during the construction phase of the project and recurring cost per annum till the operation of the plant, respectively towards CSR activities. The annual report on CSR/ Community development activities is furnished at Annexure – 1.

Management Discussion & Analysis Report and Report on Corporate Governance

The Management Discussion & Analysis report is furnished at Annexure-2. The report on Corporate Governance on the compliance of DPE Guidelines on Corporate Governance along with certificate issued by the Statutory Auditors on the compliance of above guidelines are furnished at Annexure – 3 & 4 respectively.

Particulars of Employees

Particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Nil.

Loans, Guarantees and Investments

The Company has not granted any loan or guarantee or done any investments during the year 2020-21.

Transfers to Reserves

Since the Project is under construction, during the year 2020-21, no amount has been transferred to general reserves.

Deposits

The Company has not accepted any deposit from public.

Material Changes affecting financial position occurring between the date of Financial Statement and Directors' Report

There were no material changes affecting financial position occurring between the date of Financial Statement and the Directors' Report.

COVID-19 Management

COVID-19 pandemic has spread across the globe and has created massive negative disruptions in the business operations. The COVID-19 pandemic and its outbreak has severely impacted the Nation, disrupting normal lives and the economy. Even as the country geared up to tackle this crisis through various control measures, your Company supplemented these efforts in all its areas of influence. There may be delay in execution of the project due to poor availability of migrant workforce. Your Company will continue to monitor the current situation and possible impact of the same in the business of the Company.

Ever since the Government of India started issuing various advisories to take precautionary steps to prevent spread of Corona virus, your Company implemented a slew of preventive actions and awareness campaigns through pamphlets, posters, hoardings and videos to imbibe and promote the habits of personal hygiene, workplace hygiene, wearing of face masks and for maintaining social distance.

Your Company also provided infrastructural support to the Kanpur Nagar District Administration to enable them to contain the spread of Covid and provided relief materials to the needy persons in and around the project sites. Special vaccination camps were held at project to vaccinate the entire workforce, with the support of District Health Authorities.

Your Company also fast-tracked clearance of projects to set up one medical oxygen generation plant of 30Nm3/Hr capacity at Ghatampur CHC, one medical oxygen generation plant of 12Nm3/Hr capacity at Hamirpur Govt. Hospital and two medical oxygen generation plant of 12Nm3/Hr capacity at GTPP General Hospital. Your Company also provided funds under CSR activities for renovation of COVID wards, establishment of COVID testing MRU lab and for purchase of RNA extractor machine by GSVM Hospital, Kanpur.

Sexual harassment of women at workplace

Employees of your Company are being deputed by the Holding Company, NLC India Limited, which has a separate Committee for looking into the complaints relating to sexual harassment of women at workplace.

Annual Return

In accordance with the Companies Act, 2013, the Annual Return in the prescribed format is available at https://www.nuppl.co.in/wp-content/uploads/2021/09/Annual-Return-19-20.pdf

Statutory Audit

Seth & Associates, Chartered Accountants, Lucknow has been appointed as the Statutory Auditor of the Company by the Comptroller & Auditor General of India (C&AG), for the financial year 2020-21, under Section 139 of the Companies Act, 2013. The Board of Directors of your Company have fixed ₹1,80,000/- (rupees one lakh eighty thousand only) plus applicable tax as the Statutory Audit Fees for the year 2020-21 in addition to reimbursement of out-of-pocket expenses at actual.

Internal Audit

M/s Patro & Company, Chartered Accountants, Bhubaneswar, has been appointed as the Internal Auditor of the Company for the financial year 2020-21.

Secretarial Audit

CS Gunjan Goel, Practising Company Secretary, Lucknow has been appointed as the Secretarial Auditor for the year 2020-21. The Secretarial Audit report for the year 2020-21 and reply to the observations of the Secretarial Auditor are furnished at Annexure – 5.

C&AG's Comments

C&AG's comments on the financial statements of the Company for the year ended 31st March, 2021 are furnished at Annexure – 6.

Directors' Responsibility Statement as per Section 134(3)(c) of the Companies Act, 2013

The Board of Directors declares: -

a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

e. that the Directors had prepared the annual accounts on a going concern basis; and

f. the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Disclosure pursuant to Section 134(3)(ca) of the Companies Act, 2013

Nature of fraud with description: Two Instances of suspected fraudulent transactions were identified during reconciliation of land acquisition transactions with Registry documents during the closing of FY 2019-20 accounts. Upon these identifications, a thorough check was carried out internally as well as through Forensic Audit from external agency for all land acquisition transactions related to Railway Siding Land and Pocket of Land. After thorough check, it was identified that the total amount of fraudulent transactions/ irregularities was ₹71.44 lakh. This amount of fraud involves embezzlement by an employee and stamp vendor and excess payment made to landowners. The amount of ₹71.44 lakh to be recovered against the fraudulent transactions has been recognised as other recoveries under current assets and provision has been created against the same for ₹67.61 lakh after adjusting the amount which can be recovered against the amount payable to the employee involved in fraudulent transactions.

Remedial action taken: The employee involved in fraudulent transactions has been suspended and FIR has been registered against him. Police enquiry was conducted against the stamp vendor and recovery from landowners is under progress. The Company is taking all necessary measures to strengthen the internal control system to avert such fraudulent transactions in future.

Board of Directors and Key Managerial Personnel

Shri Bibhu Prasad Mahapatra, (DIN: 01368109) has relinquished as the Director of the Company with effect from 27.05.2021 on attaining the age of superannuation and Shri Sudhir Arya, (DIN: 05135780), Director (Finance)/ UPRVUNL was inducted into the Board as an Additional Director with effect from 27.05.2021.

Shri Sudhir Arya, (DIN: 05135780) has relinquished as the Director of the Company with effect from 09.08.2021 on attaining the age of superannuation and Shri Ranjan Kumar Srivastava, (DIN: 07338796), Director (Finance)/ UPRVUNL was inducted into the Board as an Additional Director with effect from 09.08.2021.

The Board places on record its appreciation for the valuable contribution made by Shri Bibhu Prasad Mahapatra and Shri Sudhir Arya during their tenure as Directors on the Board of the Company.

Shri Rakesh Kumar (DIN: 02865335), Director retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Acknowledgement

The Board of Directors of your Company places on record its sincere appreciation for the continued support & guidance extended by the Ministry of Coal, Ministry of Power, Ministry of Environment & Forest, Govt. of Uttar Pradesh, Govt. of Jharkhand, NLC India Ltd. and Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. The Board of Directors of your Company are pleased to acknowledge with gratitude, co-operation and continued support extended by District Administration, Revenue Department, Land Acquisition Department, Irrigation Department of Tehsil of Kanpur, Lucknow & Dumka, UP Jal Nigam, Uttar Pradesh Power Corporation Ltd., Uttar Pradesh Transmission Corporation Ltd., CMPDIL Ranchi, NHAI Kanpur, UP Pollution Control Board and other Statutory Authorities concerned and the public of Ghatampur Tehsil. The co-operation and support by the Comptroller and Auditor General of India, the Statutory Auditors, Internal Auditors and Secretarial Auditors of the Company need special mention and Directors acknowledge the same. Your Directors also wish to place on record their appreciation for the dedicated work, put-forth by the employees at all levels.

For and on behalf of the Board of Directors

Place: Chennai
Date: 25.09.2021

RAKESH KUMAR
CHAIRMAN

ANNEXURE - 1

Corporate Social Responsibility (CSR) Report for the FY 2020-21

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of NUPPL's CSR Policy**.

- The vision of NUPPL is to emerge as a leading Power Company in the state of Uttar Pradesh and continue to be socially responsive.
- NUPPL's mission is to "Play an active role in Society and be sensitive to emerging environmental issues."
- The CSR activities of NUPPL focus on sustainable development and inclusive growth, addressing the basic needs of the surrounding communities.
- The objective of NUPPL is to adopt appropriate strategies for all round development of the Company in physical, financial, environmental and societal spheres as a socially responsible Corporate Citizen.
- Aiding in the Socio-economic development of the local state(s) in which NUPPL operates and also the country at large.
- The CSR of NUPPL contributes to various sectors of development, as enumerated in the schedule VII of the Companies Act, 2013. The main sectors are:
  - Health and Sanitation
  - Education
  - Employment Enhancing Vocational skills
  - Sports
  - Rural Development Projects for Roads & access, water resources augmentation for irrigation and overall community development.

2. **The Composition of the CSR Committee as on 31.03.2021 was as under:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Shaji John	Chairman	2	2
2	Shri Jaikumar Srinivasan	Member		2
3	Shri Ajit Kumar Tewary	Member		2

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**
NUPPL has adopted a CSR policy under which new/ongoing CSR projects/Program/ activities are undertaken. The policy is available on the website https://nuppl.co.in/wp-content/uploads/2019/06/CSR-Policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

No impact assessment study has been carried out in financial year 2020-21 as required under sub rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, which came into effect from 22.01.2021

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	Nil	Nil

6. Average net profit of the Company as per section 135(5):

The average net loss during the three immediately preceding financial years i.e., 2017-18, 2018-19 and 2019-20 is ₹6.42 lakh.

7. a) Two percent of average net profit of the Company as per section 135(5): Nil.

b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil.

c) Amount required to be set off for the financial year, If any: Nil.

d) Total CSR obligation for the financial year (7a+7b-7c): Nil.

8. a) CSR amount spent or unspent for the financial year:

During the financial year under review, as per the provisions of the Companies Act, 2013, the Company was not required to incur expenditure towards CSR activities. However, in order to comply with the conditions of the Environmental Clearance granted by MoEF & CC for GTPP, the Company is required to spend 0.4% and 0.08% of capital cost of the project as capital cost during the construction phase of the project and recurring cost per annum till the operation of the plant respectively, towards CSR activities.

<table>
<tr><th rowspan="3">Total Amount Spent for the Financial Year 2020-21
(₹ in lakh)</th><th colspan="5">Amount Unspent (₹ in lakh)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6)</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)</th></tr>
<tr><th>Amount</th><th>Date of transfer</th><th>Name of the Fund</th><th>Amount</th><th>Date of transfer</th></tr>
<tr><td>291.73</td><td colspan="2">Nil</td><td colspan="3">Nil</td></tr>
</table>

8. b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11	12	13
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in lakh)	Amount spent in the current financial year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakh)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

8. c) Details of CSR amount spent against other than ongoing projects for the financial year

1	2	3	4	5	6	7	8	9	10
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the Project (₹ in lakh)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
A	**Promoting Healthcare**	**Item No. I**							
1	Hiring and handover 5 nos Ambulance for 1 month to CMO Kanpur		Yes	Uttar Pradesh	Kanpur Nagar	9.5	Yes	-	-
2	Jan Ausadhi medicine Purchase and supply		Yes	Uttar Pradesh	Kanpur Nagar	0.1	Yes	-	-
3	Renovation of COVID wards in Lala Lajpat Rai Government Hospital, Kanpur Nagar		Yes	Uttar Pradesh	Kanpur Nagar	32.54	Yes	-	-
4	COVID testing MRU Lab establishment in GSVM hospital Kanpur		Yes	Uttar Pradesh	Kanpur Nagar	11.63	Yes	-	-
5	RNA Extractor Machine		Yes	Uttar Pradesh	Kanpur Nagar	37.67	Yes	-	-

1	2	3	4	5	6	7	8	9	10
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the Project (₹ in lakh)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
6	PS-MMD-hand Sanitiser-5000ml		Yes	Jharkhand	Dumka	0.01	Yes	-	-
7	PS-MMD-Mask-10pc		Yes	Jharkhand	Dumka	0.01	Yes	-	-
8	PS-MMD-PPE coverall-3nos.		Yes	Jharkhand	Dumka	0.01	Yes	-	-
9	PS-MMD-Rubber Gloves-10p		Yes	Jharkhand	Dumka	0.01	Yes	-	-
B	**Providing Safe Drinking Water**	**Item No. I**							-
10	Installation of 20 Number of Solar submersible pumps with overhead tanks		Yes	Uttar Pradesh	Kanpur Nagar	94	Yes	-	-
C	**Promoting Sanitation & Other Basic Amenities**	**Item No. I**							
11	Cleanliness Campaign under Swachh Bharat		Yes	Uttar Pradesh	Kanpur Nagar	0.1	Yes	-	-
D	**Promoting Education**	**Item No. II**							
12	School Furniture Installation		Yes	Uttar Pradesh	Kanpur Nagar	12.10	Yes	-	-
13	Sirsa School Renovation		Yes	Uttar Pradesh	Kanpur Nagar	35.84	Yes	-	-
E	**Vocational Skill Development**	**Item No. II**							
14	Community development in engagement with		Yes	Uttar Pradesh	Kanpur Nagar	7.82	Yes	-	-
F	**Rural Development**	**Item No. X**							
15	280 nos Solar Street Lights Supply and installation in 8 Project affected villages.		Yes	Uttar Pradesh	Kanpur Nagar	30.81	Yes	-	-

1	2	3	4	5	6	7	8	9	10
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the Project (₹ in lakh)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
G	**Disaster Management including relief, rehabilitation and reconstruction activities**	**Item No. XII**							
16	COVID 19 Fund Donation		Yes	Jharkhand	Dumka	10	Yes	-	-
17	PS-COVID-19 food packets-482 no		Yes	Jharkhand	Dumka	2	Yes	-	-
18	PS-MMD-Hand Sprayer		Yes	Jharkhand	Dumka	0.02	Yes	-	-
19	PS-MMD-Liability		Yes	Jharkhand	Dumka	1.38	Yes	-	-
20	Blanket distribution		Yes	Uttar Pradesh	Kanpur Nagar	1.76	Yes	-	-
21	Distribution of food packet		Yes	Uttar Pradesh	Kanpur Nagar	0.75	Yes	-	-
22	Distribution of 5000 masks		Yes	Uttar Pradesh	Kanpur Nagar	0.72	Yes	-	-
23	Distribution of 51000 masks		Yes	Uttar Pradesh	Kanpur Nagar	1.52	Yes	-	-
24	CSR expenditure of food grains packet distribution during COVID 19		Yes	Uttar Pradesh	Kanpur Nagar	1.33	Yes	-	-
25	Full body protection suit purchase and distribution to COVID warriors		Yes	Uttar Pradesh	Kanpur Nagar	0.11	Yes	-	-
	Total					**291.73**			

8 d) Amount spent in Administrative Overheads: Nil

e) Amount spent on Impact Assessment, if applicable: Nil

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹291.73 lakh

g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lakh)	Amount spent in the reporting Financial Year (₹ in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in lakh)
				Name of the Fund	Amount (₹ in lakh)	Date of transfer	
1	2017-2018	0.00	0.00	-	0.00	-	0.00
2	2018-2019	0.00	0.00	-	0.00	-	0.00
3	2019-2020	0.00	0.00	-	0.00	-	0.00

9. b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in lakh)	Amount spent on the project in the reporting Financial Year (₹ in lakh)	Cumulative amount spent at the end of reporting Financial Year (₹ in lakh)	Status of the project - Completed/ Ongoing
NIL								

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Sl. No.	Description	Details
(a)	Date of creation or acquisition of the capital asset(s)	**Not Applicable**
(b)	Amount of CSR spent for creation or acquisition of capital asset	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5):
Not applicable

Chief Executive Officer

ANNEXURE - 2

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development:

Power Industry

The COVID-19 pandemic brought about unprecedented changes in 2020 to the power sector worldwide, with significant demand disruptions, supply chain bottlenecks, decline in fuel prices, changes in energy consumption profiles, asset sales and acquisitions. It imparted the worst ever impact delivered by any crisis on the global economy and the power sector.

The year 2020 was marked by one of the biggest health challenges faced by the world. It impacted all segments of the economy, and the power sector was no exception. India's demand for power fell significantly by 8.5% in the first half of FY 2020-21 but picked up pace in the second half of the fiscal, with the easing of lockdown measures. India's growing urban population, revival in economic activities in the coming quarters after a sizable population gets vaccinated and its quest for affordable, clean and reliable power provide a huge scope for continued growth in power demand.

Universal, affordable, and uninterrupted power supply have been the guiding principles of India's electricity policy. As the third largest global power producer with a combined installed capacity of 382 GW, India still has a long way to go to achieve economic progress and electricity consumption comparable to major economies in the region.

India's power generating capacity is based on conventional thermal sources like coal and gas in addition to hydro power, with a rapidly growing proportion of renewable energy. Thermal power represents most of the power generated in India. Coal-fired power plants act as base load power generators and enjoy high energy security due to India's large coal reserves, in addition to competitive generation costs. The growth in coal-fired power generation was responsible for making affordable and reliable electricity available across the nation.

Demand for electricity is on the rise as India's economy continues to grow. Various factors contributing to the rising per capita consumption include improvement of electrification across all villages, GDP growth and general economic activity, and growth in consumer electricals and electronic device penetration.

Access to cost-effective and reliable power supply are the biggest catalysts for inclusive growth. They are critical for industrial growth, ensuring social growth of citizens and a high human development index. Demand for electricity in India is expected to grow at a sustained pace given the government's massive push towards Make-In-India, increasing industrialization, improving incomes and living standards.

As per the Central Electricity Authority (CEA), peak demand is likely to increase to around 340 GW from the current peak demand of around 190 GW by 2030. The base demand is expected to increase to 2325 BU by 2030. CEA predicts that India's likely installed capacity by FY 2030 could be around 817 GW, more than double the present installed capacity.

India's installed generation capacity stands at 382.15 GW as on 31st March 2021, which excludes 55 GW of captive generation capacity. Grid connected capacity addition during FY 2020-21 was 12 GW vis-à-vis 14 GW in FY 2019-20. Coal-based capacities still account for more than half of India's total installed capacity, though the share has been consistently declining over the past ten years from 75% in FY11 to about 55% in FY21, indicating subdued investor interest in the sector. This is also evident in the Plant Load Factor (PLF) of thermal plants that have witnessed a declining trend in the last decade, falling from 75% in FY11 to 53.37% in FY 2020-21.

In terms of coal-based capacity, CEA estimates capacity addition of over 60 GW till 2030. Further, coal-based power will still be the dominant fuel type in 2030. In terms of the PLF of coal-based plants, CEA studies indicated that high-capacity pit head plants (600–800 MW unit size) could enjoy PLFs of over 70% whilst similar load centre plants could have PLFs of around 50%. It is evident that coal-based power could continue to play a significant role in meeting India's electricity demand into the long-term.

The overall power capacity addition to conventional as well as renewable power generation during the financial year 2020-21 has taken a hit due to the COVID-19 pandemic. The net conventional power capacity addition stood at about 5.4 GW as against 7.065 GW YoY, while the renewable energy power addition was at 7.04 GW as against 9.39 GW in the previous fiscal. The private sector generates 47.3% of India's thermal power whereas States and Central Sector generates 27.2% and 25.5% respectively. The lower capacity addition was due to supply-side disruptions (which slowed movement of inputs and led to an increase in their prices), labour shortages and the constrained finances and liquidity pressures faced by the developers triggered by the lockdown.

The contribution of the State, Central and Private Sector were as under:

Sector	Total Capacity (MW)	% of Total
Central Sector	97,507	25.50
State Sector	1,03,870	27.20
Private Sector	1,80,774	47.30
Total	**3,82,151**	**100.00**

The installed capacity from different sources of energy were as under:

Source	Total Capacity (MW)	% of Total
Thermal	2,34,728	61.42
Hydro	46,209	12.09
Nuclear	6,780	1.77
RES(MNRE)	94,434	24.72
Total	**3,82,151**	**100.00**

(*Source: Central Electricity Authority*)

Impact of COVID Pandemic

The power sector in the country has been affected by the prevailing slowdown in the Indian economy. It has not only led to a fall in electricity consumption, but has impacted the supply of key inputs for generators which would lead to project delays and thereby time and cost overruns. It also adds to the financial stress of power producers and distribution companies. The severity of the impact would be spread over a few years and would consume time to return to pre COVID-19 levels.

Coal

Coal remains the predominant indigenous energy sources in the country. The energy security of the country and its prosperity are integrally linked to efficient and effective use of this abundant, affordable and dependent fuel, coal. The dependability on coal may be gauged by the fact that about 55% of India's installed power capacity is coal-based. As India aims to increase its power generation capacity in coming years, a significant portion of the capacity is expected to come from coal itself. As of now the share of coal in overall energy mix is expected to remain high at 48-54% even beyond 2030. In spite of the penetration of the renewables, the demand for coal shall remain strong, though its share (%) in the energy mix may reduce. In terms of availability, coal is the most abundant fossil fuel available in India. At the current rate of production, the reserves are adequate to meet the demand for multiple centuries to follow. Today India is the 2nd largest producer of coal in the world producing about 716 million tonnes (MT) of coal in 2020-21.

About 70% of the coal reserves of the country are from the States of Jharkhand, Odisha and Chhattisgarh. Coal is also produced from mines available in the States of Andhra Pradesh, Telangana, Madhya Pradesh, Maharashtra, West Bengal and Bihar. As on 01.04.2020, the total estimated reserves of Coal in India was 344.02 BT out of which the proved category accounted for 1,63,471 BT.

The details of Coal Resources as on 01.04.2020 are as follows:

(Resources in Million Tonnes)

State	Measured	Indicated	Inferred	Total	%
Arunachal Pradesh	31.23	40.11	18.89	90.23	0.03
Assam	464.78	57.21	3.02	525.01	0.16
Bihar	309.53	2,430.58	11.30	2,751.41	0.80
Chhattisgarh	24,984.86	42,367.83	2,079.14	69,431.83	20.18
Jharkhand	49,468.59	30,283.80	5,849.71	85,602.10	24.87
Madhya Pradesh	12,597.25	12,888.39	3,799.31	29,284.95	8.51
Maharashtra	7,623.74	3,257.37	1,846.59	12,727.70	3.70
Meghalaya	89.04	16.51	470.93	576.48	0.17
Nagaland	8.76	21.83	415.83	446.42	0.13
Odisha	40,871.77	36,067.17	7,713.12	84,652.06	24.61
Sikkim	0	58.25	42.98	101.23	0.03

Uttar Pradesh	884.04	177.76	0	1,061.80	0.31
Andhra Pradesh	97.12	1,078.44	431.65	1,607.21	0.47
West Bengal	15,199.49	13,121.95	4,615.85	32,937.29	9.57
Telangana	10,840.88	8,521.40	2,862.84	22,225.12	6.46
Total	**1,63,471.08**	**1,50,388.60**	**30,161.16**	**3,44,020.84**	**100.00**

(Source: Indian Coal and Lignite Resource Inventory – 2020 by GSI)

SWOT Analysis

Strength

- Good financial position of the Promoter Companies viz. NLC India Limited (NLCIL) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL).
- The Promoter Companies are having rich experience in operation of open cast mines and Thermal Power Plants.
- Availability of linked South Pachwara South Coal block in the state of Jharkhand.
- Major portion of funding arrangement to be met through borrowings already tied up.
- Highly motivated and dedicated workmen and officers with employee friendly HR policies.
- Harmonious industrial relations.

Weakness

- Delay in finalisation of Flue Gas-Desulphurisation tender.
- Delay in Balance of Plant (BOP) Package works.
- Low merit order of the tariff in the state of Uttar Pradesh.

Opportunities

- Various concessions/reliefs to the power sector industries initiated by the Government of India, leads to accelerate the power generation in order to achieve the envisaged economic growth rate.
- Thrust by Government of India for development of power through Renewable energy and acquisition of Power Assets.
- Government of India's (GoI) commitment to improve the quality of life of its citizens through higher electricity consumption.
- Rise in per capita consumption of power.
- Power Trading.
- Establishment of Cement plant by using fly ash generated by GTPP.

Threats

- Power Purchase Agreement for balance 25% power is yet to be signed.
- Rehabilitation and Resettlement of the tribal people from the Mining Block.
- Given the massive capacity addition plans in the renewable sector, CEA, in its draft national electricity plan estimates no requirement for new coal-based power plants in 2017-22.
- Increased competition from Independent Power Producers has resulted in highly competitive tariff rates being quoted.

- Stringent Pollution Control norms being set by regulators increase project cost and operating cost of power projects.
- The increasing cost (both social and economic) of land acquisition may delay the projects and also impact the operating cost of power projects.
- Stringent Laws of the Forest Dept. for Diversion of the Forest Land for Mining purpose.
- Impact of COVID-19 on disruption of supply chain due to restrictions on movement of goods, services and manpower on account of nationwide lock-down.

Segment Wise Performance

Company is not a multi segment Company.

Company Outlook

Your Company is establishing 1980 MW (3 x 660 MW) coal based Ghatampur Thermal Power Plant (GTPP) at Ghatampur Tehsil, Kanpur Nagar District in the State of Uttar Pradesh. The Govt. of India has accorded sanction for the Project on 27.07.2016 at the revised Capital Expenditure of ₹17,237.80 crore with base date of Dec-2015 and schedule for completion of the project is 52 months, 58 months and 64 months from the date of GOI sanction for the 1st, 2nd and 3rd unit of 660 MW each respectively.

The revised commissioning schedule of Unit-I, is 01.11.2021, while in respect of other two units, the revised commissioning schedules are 31.03.2022 & 31.07.2022 respectively. Mock Boiler light-up of Unit-1 was done on 26.03.2021. However, delay is expected in commissioning of Units due to ongoing COVID-19 pandemic.

All major package contracts have been awarded. The package contractors have started construction activities from October 2016. All construction activities are under progress and in full swing. Capex achieved during the financial year 2020-21 was ₹2253.18 crore as against the Excellent MoU target of ₹2000 crore.

Ministry of Coal (MoC), Govt. of India, has allocated Pachwara South Coal Block (PSCB), having the total estimated coal reserve of 373.52 MT in the State of Jharkhand, to the Company for using the coal in its Ghatampur Thermal Power Plant. Your Company has entered into a Coal Block Development and Production agreement (CBDPA) with the Govt. of India (GoI) for the development of Pachwara South Coal Block.

Letter of award (LOA) has been issued to M/s. MIPL GCL Infra-contract Private Limited., Ahmedabad for the work of Mine Developer and Operator (MDO) for Pachwara South Coal Block, at an evaluated cost of ₹21,228.96 crore (Incl. GST and Incl. Diesel). Meanwhile, a proforma for seeking Bridge Coal Linkage to GTPP for 3 years (2020-2023) has been submitted to the Ministry of Coal for approval.

Geological Report (GR), Mining Plan & Mine Closure Plan have been approved by MoC. Terms of Reference (ToR) for EC has been issued by MoEF & CC in favour of PSCB to carry out EIA/EMP study at PSCB. Application for Forest Stage-I Clearance uploaded in MoEF & CC Portal while the Gazette notification u/s 9(1) & 11(1) of CBA (A&D) Act, 1957 has been issued by MoC. Draft EIA/EMP report has been submitted to Jharkhand State Pollution Control Board, Ranchi for conducting public hearing.

Risks and Concerns

- Pending Acquisition of Un-notified Pockets of Private Land inside GTPS Boundary and additional lands for Railway Siding Works and Water Carrier System works.
- Dependency on external source of supply of coal till the development of the linked coal block.
- Delay on finalisation of Flue Gas-Desulphurisation tender.
- Low merit order of the tariff in the state of Uttar Pradesh.
- Power Purchase Agreement for balance 25% power is yet to be signed.
- Delay in Balance of Plant (BOP) Package works.

Internal Control System and their adequacy

The Company has well-established internal control systems and procedures to commensurate with its size and nature of business with an approved and well laid out delegation of authority and external firm of Chartered Accountants has been assigned the work of conducting periodical internal audit covering all the areas. The Audit Committee has been constituted by the Board of Directors to supervise the financial reporting procedures through review of periodical statements including Internal Audit Reports. Further, the accounts of the Company are subject to C&AG audit.

Internal Financial Controls over financial reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Statutory Auditors are required to review the adequacy and operating effectiveness of such internal financial control over financial reporting and furnish a separate audit report on such review as required by Companies Act 2013 along with the audit report on financial statements.

Discussion on the financial position

Covered in the main report

Material developments in Human Resources, Industrial Relations front, including number of people employed

As on 31.03.2021, 197 employees have been deputed in the Company by the holding company, NLCIL. Industrial relations were cordial during the year 2020-21.

Environmental Protection & Conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation

Presently the project is yet to commence its operation hence the above is not applicable.

Corporate Social Responsibility

Covered in the Main Report.

Cautionary Statement

Statements in the Management Discussion and Analysis and Directors' Report describing the Company's strength, strategies, projections and estimates are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward-looking statements.

For and on behalf of the Board of Directors

Place: Chennai
Date: 25.09.2021

RAKESH KUMAR
CHAIRMAN

ANNEXURE - 3

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Code of Corporate Governance:

Transparency, accountability and integrity are the main ingredients of good Corporate Governance. Your Company as a corporate citizen adheres to the standards of good corporate governance in letter and spirit.

Board of Directors:

The Board of Directors of your Company is headed by a Non-executive Chairman.

The composition of the Board of Directors of the Company as approved by the Government of India is as follows:

i) Directors representing NLCIL	3
ii) Directors representing UPRVUNL	2
iii) Government Nominee representing MOC	1
iv) Independent Directors	3
Total	**9**

The present composition of the Board of Directors of the Company is not fully confirming to the composition approved by the Government of India since three Independent Directors are required to be appointed on the Board of the Company. The issue relating to the appointment of Independent Directors on the Board of the Company has been referred to the Ministry of Coal, the Administrative Ministry and the formal notification for appointment is awaited.

The composition of Board of Directors of the Company as on 31.03.2021 is as under:

i) Directors representing NLCIL	3
ii) Director representing UPRVUNL	2
iii) Director representing MOC	1
iv) Independent Directors	0
Total	**6**

The particulars of the Board of Directors as on 31st March, 2021 and other details are furnished as under:

Sl. No.	Name (Sarvashri)	Other Directorships held as on 31.03.2021	Other Committee* Membership held as on 31.03.2021	
			As Member	As Chairman
Directors representing NLCIL				
1	Rakesh Kumar (DIN: 02865335)	3	-	-
2	Shaji John (DIN: 08418401)	2	1	-
3	Jaikumar Srinivasan (DIN: 01220828)	3	2	-
Directors representing UPRVUNL				
4	Ajit Kumar Tewary (DIN: 08544397)	3	-	-
5	Bibhu Prasad Mahapatra (DIN: 01368109)	5	-	-
Director representing Ministry of Coal				
6	Rajnish Kwatra (DIN: 08815778)	0	-	-

*Audit Committee and Stakeholders Relationship Committee.

Management of Business & Board Procedure

The day-to-day management of business and affairs of the Company is being administered by the Chief Executive Officer (CEO), who is not a member of the Board and he functions subject to the superintendence, control and direction of the Board. The CEO has been delegated with certain administrative and financial powers by the Board of Directors. Any proposal beyond the powers of CEO and particularly major decisions involving high value capital expenditure, Annual Plans, award of major contracts, mobilization of resources, loans and investments (other than Short-term Investments), borrowings and all policy decisions including policy relating to all personnel matters are decided only at the Meetings of the Board of Directors/ Sub-Committee(s) constituted by the Board of Directors of the Company.

Date of Board Meetings and Directors' Attendance

During the financial year ended 31st March 2021, ten meetings of the Board of Directors were held on the following dates: -

10th June, 2020, 18th June, 2020, 01st July, 2020, 1st September, 2020, 28th September, 2020, 28th October, 2020, 11th November, 2020, 17th November, 2020, 16th January 2021 and 8th February 2021.

The details of attendance of Directors at the Board Meeting held during the financial year 20-21 were as under: -

Name (Sarvashri)	No. of Meetings attended out of 10 held	Remarks
Rakesh Kumar	10	
Shaji John	10	
Jaikumar Srinivasan	10	
Subir Chakravorty	3	Relinquished w.e.f. 14.08.2020
Ajit Kumar Tewary	9	
Bibhu Prasad Mahapatra	7	Inducted w.e.f. 21.08.2020
Narender Kumar Singh	2	Relinquished w.e.f. 22.07.2020
Rajnish Kwatra	7	Inducted w.e.f. 30.07.2020

General Meeting Attendance

Shri Rakesh Kumar, Chairman, Shri Rajnish Kwatra, Shri Shaji John, Shri Jaikumar Srinivasan, Shri Ajit Kumar Tewary, Directors, and Shri Bibhu Prasad Mahapatra, the then Director, attended the last Annual General Meeting held on 28th September, 2020.

Board Committees:

The following Sub-Committees have been constituted by the Board of Directors.

Audit Committee:

The terms of reference of Audit Committee conform to the requirements of Section 177 of the Companies Act, 2013 and the DPE guidelines on Corporate Governance. The composition of the Committee as on 31.03.2021 comprised three Non-Executive Directors. Shri Shaji John, Director, as its Chairman and Shri Jaikumar Srinivasan & Shri Ajit Kumar Tewary, Directors, as its Members.

During the year 2020-21, four meetings of Audit Committee were held on 18th June, 2020, 1st September, 2020, 11th November, 2020 and 8th February, 2021.

The details of attendance of members are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Shaji John	4	4
Jaikumar Srinivasan	4	4
Ajit Kumar Tewary	4	4

Note: Company Secretary is the secretary to the Audit Committee.

Corporate Social Responsibility Committee

The terms of reference of Corporate Social Responsibility Committee conform to the provisions of the Companies Act, 2013 and the DPE guidelines on Corporate Governance. The composition of the Committee as on 31.03.2021 comprised three Non-Executive Directors. Shri. Shaji John, Director as its Chairman and Shri. Jaikumar Srinivasan & Shri. Ajit Kumar Tewary, Directors as its Members.

During the year 2020-21, two meetings of the Corporate Social Responsibility Committee was held on 27th June, 2020 and 22nd March 2021.

The details of attendance of members are as under:

Name of the Director (Sarvashri)	No. of Meetings held during the period of office	No. of meetings attended
Shaji John	2	2
Jaikumar Srinivasan	2	2
Ajit Kumar Tewary	2	2

Nomination and Remuneration Committee

The terms of reference of Nomination and Remuneration Committee conform to the provisions of the Companies Act, 2013 and the DPE guidelines on Corporate Governance. The composition of the Committee as on 31.03.2021 comprised three Non-Executive Directors. Shri. Shaji John, Director as its Chairman and Shri. Jaikumar Srinivasan & Shri. Ajit Kumar Tewary, Directors as its Members. In the absence of Independent Directors on the Board, the composition of the Committee does not comply with the requirements of the Companies Act, 2013. The Committee will be reconstituted suitably on appointment of Independent Directors on the Board. Presently the employees of NLCIL are transferred and posted in the Company and they are governed by the applicable rules of NLCIL including rules relating to the payment of Performance Related Pay (PRP). No meeting of the Nomination and Remuneration Committee was held during the year.

Remuneration to Directors:

No Remuneration/Sitting Fee is being paid to any Part-time Official Directors.

Code of Conduct:

As required under the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the Board of Directors of the Company have laid down a Code of Conduct applicable for all Board Members and Senior Management Personnel of the Company. In this regard, a declaration by the Chief Executive Officer (CEO) is reproduced below:

“I hereby confirm that all the Members of the Board and Senior Management Personnel to whom the Code of Conduct was applicable have affirmed compliance of the above code for the year ended 31st March, 2021.”

General Body Meetings

The following are the details of the General Body Meetings of the Company held in the last three years.

Year	Date and Time	Venue
AGM 2017-18	18.07.2018 – 12.30 Hours	Zenith Mezannine, First Floor, Renaissance Lucknow Hotel, Vipin Khand, Gomti Nagar, Lucknow – 226 010
EGM	26.09.2018 – 16.00 Hours	Zenith Mezannine, First Floor, Renaissance Lucknow Hotel, Vipin Khand, Gomti Nagar, Lucknow – 226 010
AGM 2018-19	03.08.2019 – 12.30 Hours	Business Centre Board Room, Ground Floor, Taj Mahal Hotel, Vipin Khand, Gomti Nagar, Lucknow – 226 010.
AGM 2019-20	28.09.2020 – 17:30 Hours	Through Video Conferencing

Special Resolutions:

An Extra-Ordinary General Meeting of the Company was held on 26.09.2018 and the following Special Resolution was passed:

Alteration of the Articles of Association of the Company for insertion of Clause 15A for Dematerialization of securities.

Disclosures

Related Party Transactions

During the year under review the Company did not enter into any contracts/ arrangements/transactions with any Related Party which are not at arm's length basis and no material contracts/arrangements were entered into with them at an arm's length basis. No materially significant related party transactions were entered into that may have potential conflict with the interests of the Company at large. None of the Directors/KMPs of the Company were inter-se related as on 31.03.2021.

Other Disclosures

No penalties, strictures have been imposed on the Company by any Statutory Authorities on any matters relating to any guidelines issued by the Government during the year.

With regard to the details of administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase, it is stated that presently the Company being under construction phase, the entire expenditure incurred during the construction period is being transferred to the Capital Works-in-Progress and capitalized on commissioning of the respective assets except the indirect expenditures which is charged to profit and loss. On completion of the project and after commissioning of the unit, the aforesaid expenditure would come under the ambit of revenue and for the purpose of comparison as stated above.

Means of Communication:

Financial statements are being reviewed by the Board represented by both the Promoters and hence requirement to send separate communication does not arise.

Project Location:

Coal based Thermal Power Project (3 X 660 MW) at Ghatampur Tehsil, Kanpur Nagar, in the State of Uttar Pradesh is under construction. Pachwara South Coal block at Dumka, Jharkhand has been allocated for the Ghatampur Thermal Power Project.

Audit Qualification:

It is always the Company’s endeavour to present unqualified financial statement. The Audit Report for the year 2020-21 does not contain any audit qualifications.

Reporting of Internal Auditor:

The Internal Audit is being done by external firms of Chartered Accountants. Internal Audit reports containing periodical reports includes significant findings, if any, and the same is reviewed by the Audit Committee periodically.

Training of Board Members:

The Directors on the Board are fully aware of the business module of the Company. During the year 2020-21, no training programme was conducted for the Board members.

Whistle Blower Policy:

The Board of Directors in its 31st Meeting held on 04.05.2018 had approved the Whistle Blower Policy for the Company and quarterly report on the same in being reviewed by the Audit Committee periodically.

Compliance

The Company has complied with all the conditions of Corporate Governance as stipulated in DPE guidelines on Corporate Governance excepting those non-compliances as observed in the Certificate on Corporate Governance and the Secretarial Audit Report. The reasons for non-compliance have been furnished separately as reply to the observations of the Secretarial Auditor.

For and on behalf of the Board of Directors

Place: Chennai
Date : 25.09.2021

RAKESH KUMAR
CHAIRMAN

ANNEXURE - 4

SETH & ASSOCIATES
Chartered Accountants
Office - 90 – Pirpur Square, Lucknow 226 001 | Telephone:- (+91) (522) 2288287, 2287931 (O)
E- Mail- ds@sethspro.com | Website – www.sethspro.com

CORPORATE GOVERNANCE CERTIFICATE

To
The Members,
Neyveli Uttar Pradesh Power Limited,

1. We have examined the compliance of conditions of Corporate Governance by Neyveli Uttar Pradesh Power Limited for the year ended 31-Mar-2021 as stipulated in the Guidelines of Corporate Governance specified by the Department of Public Enterprises (DPE) in respect of non-listed Central Public Sector Enterprises.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the guidelines notified by DPE. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

3. In our opinion and to the best of information and according to the explanation given to us and the representations made by the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the guidelines of Corporate Governance for CPSE's notified by DPE except for the following:

   i. Clause 3.1.4 of the DPE guidelines on Corporate Governance stipulates that at least one-third of the Board Members should be Independent Directors, however the same has not been complied with.

   ii. Clause 4.1.1 of the DPE guidelines on Corporate Governance stipulates that at least two-third of the Members of Audit Committee shall be Independent Directors, however the same have not been complied with.

   iii. Clause 4.1.2 of the DPE guidelines on Corporate Governance stipulates that the Chairman of the Audit Committee shall be an Independent Director, however the same has not been complied with.

   iv. Clause 4.4 of the DPE guidelines on Corporate Governance stipulates that the quorum for meeting of Audit Committee shall be either two members or one-third of the members of the Audit Committee whichever is greater, but a minimum of two Independent members must be present, however the same has not been complied with.

v. Clause 5.1 of the DPE guidelines on Corporate Governance stipulates that the Remuneration Committee should be headed by an Independent Director, however the same has not been complied with.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Ashok Seth (M.No 016730)
Partner

Place : Lucknow
Date : 26-Jun-2021
UDIN : 21016730AAAALB7699

ANNEXURE - 5

GUNJAN GOEL

A.C.S., M.B.E.

Office: C-4/152, Vikas Khand, Gomti Nagar, Lucknow, Uttar Pradesh

Email: csgunjangoel@gmail.Com Mobile: 9415343577, 8318757293

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
NEYVELI UTTAR PRADESH POWER LIMITED
CIN: U40300UP2012GOI053569
Reg. Office: 6/42, Vipul Khand, Gomti Nagar,
Lucknow-226010, Uttar Pradesh.
E-mail id: cosec.nuppl@nlcindia.in

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Neyveli Uttar Pradesh Power Limited, CIN:U40300UP2012GOI053569** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

i. maintenance of various statutory registers and documents and making necessary entries therein;
ii. forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
iii. service of documents by the Company on its Members, Auditors and the Registrar of Companies;
iv. notice of Board and various Committee meetings of Directors;
v. Meetings of Directors
vi. notice and convening of Annual General Meeting held on 28th September, 2020;
vii. minutes of the proceedings of the Board Meetings, Committee and Members Meetings;
viii. approvals of the Board of Directors, Committee of Directors, Members and Government authorities, wherever required;
ix. Committees of Directors and appointment and reappointment of Directors;

x. payment of remuneration to Directors and Managing Director and Key Managerial Personnel;

xi. appointment and remuneration of Statutory Auditors, Secretarial Auditors and Internal Auditors;

xii. transfer of Company's shares, issue and allotment of shares;

xiii. contracts, registered office and publication of name of the Company;

xiv. report of the Board of Directors;

xv. investment of Company's funds;

xvi. generally, all other applicable provisions of the Act and the Rules there under;

xvii. The Company has, in our opinion, proper Board-processes and compliance mechanism and has complied with the applicable statutory provisions, Act(s), rules, regulations, guidelines, applicable secretarial standards, etc., mentioned above and as stipulated under the Memorandum and Articles of Association the Company.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
(Not applicable to the Company during the Audit period)

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the Rules and the Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(Not applicable to the Company during the Audit period)

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(Not applicable to the Company during the Audit period)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the Company during the Audit period)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(Not applicable to the Company during the Audit period)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(Not applicable to the Company during the Audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
(Not applicable to the Company during the Audit period)

I further report that the following are other laws specifically applicable to the Company:

a) The Coal Bearing Areas (Acquisition and Development) Act, 1957 and the Rules made thereunder.
b) Mines and Mineral (Development and Regulation) Act, 1957.
c) The Electricity Act, 2003 and the Rules made there under.

I further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

I have also examined the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India (Standards).

(ii) Guidelines on Corporate Governance issued by the Department of Public Enterprises applicable to Central Public Sector Enterprises (DPE Guidelines).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except for the following:

1. **The composition of the Board of Directors did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**

2. **The composition of the Audit Committee did not comply with the requirements to have requisite numbers of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.**

3. **In the absence of Independent Directors on the Board, the requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.**

4. **In the absence of Independent Directors on the Board, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.**

5. **The requirement to have at least one Woman Director on its Board as prescribed under the Act, has not been complied with.**

6. **The Company has not undertaken training programme for the new Board members appointed during the year as prescribed under the DPE Guidelines on Corporate Governance.**

I further report that:

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally adequate notice was given to all Directors to convene the Board Meetings. Agendas and detailed note on agendas were sent at least seven days in advance/ at a shorter notice as per the provisions of the Act/ Regulations and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which were not included in the agenda or circulated at a shorter notice, were considered vide supplementary agenda with the permission of the Chairman and with the consent of majority of the Directors present in the Meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

a. the Company has further issued 20,11,44,000 Equity shares of Rs.10/- each on Right basis to the promoter companies i.e., NLC India Limited and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited in the ratio of 51:49 respectively, for a consideration of Rs.10/- per share, in dematerialized form.

I further report that during the audit period, there were no instances of:

(i) Public / preferential issue of Shares / Debentures / Sweat Equity, etc.

(ii) Redemption / buy-back of securities.

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

(iv) Merger / amalgamation / reconstruction, etc.

(v) Foreign technical collaborations.

CS Gunjan Goel
Practicing Company Secretary

Place : Lucknow
Date : 7th September, 2021

ACS No. 38137
CP No. 16350
UDIN: A038137C000915574

CS

GUNJAN GOEL

A.C.S., M.B.E.

Office: C-4/152, Vikas Khand, Gomti Nagar, Lucknow, Uttar Pradesh
Email: csgunjangoel@gmail.Com Mobile: 9415343577, 8318757293

To,
The Members,
NEYVELI UTTAR PRADESH POWER LIMITED
CIN: U40300UP2012GOI053569
Reg. Office: 6/42, Vipul Khand, Gomti Nagar,
Lucknow-226010, Uttar Pradesh.
E-mail id: cosec.nuppl@nlcindia.in

Our Secretarial Audit Report of even date for the Financial Year 2020-21 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. We have obtained reasonable assurance about whether the statements prepared, documents or Records maintained by the company are free from misstatement.
3. The audit has been conducted as per the applicable Auditing Standards.
4. We have the responsibility to only express our opinion on the evidences collected, information received and Records maintained by the company or given by the Management.
5. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
6. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
7. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
8. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the basis of relevant and appropriate audit evidences to ensure that correct facts are reflected in secretarial records.
9. The company has followed applicable laws, act, rules or regulations in maintaining their Records, documents, statements, or have complied with applicable laws or rules while performing any corporate action.
10. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Disclaimer

11. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
12. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company so far it is not concerned with our audit related matters.
13. Due consideration was given to the fact of widespread pandemic Covid-19 novel Coronavirus and maximum efforts were made to maintain social distancing while conducting the audit and all steps were taken to digitally conduct the audit with less physical presence at audit place and has considered the relaxations provided by the Government in respect of various statutory compliances on account of the pandemic Covid-19 novel Coronavirus.

CS Gunjan Goel
Practicing Company Secretary

Place : Lucknow
Date : 7th September, 2021

ACS No. 38137
CP No. 16350
UDIN: A038137C000915574

Reply to the Secretarial Auditor's Observations

<table>
<tr><th>Secretarial Auditor's Observations (as per Sl. No. of the report)</th><th>Reply to the observations of Secretarial Auditor</th></tr>
<tr><td>1. The composition of the Board of Directors did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.</td><td>The Company is a Government Company and the power to appoint Directors including a woman Director on the Board of the Company, vests with the President of India. The Ministry of Coal (MOC), the Administrative Ministry has been regularly apprised of the requirements for appointment of requisite number of Independent Directors and requested for taking necessary action. On appointment of required Directors on the Board, the requirements as applicable to the Company would be complied with.</td></tr>
<tr><td>2. The composition of the Audit Committee did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.</td><td rowspan="4">In the absence of Independent Directors (including a woman Director) on the Board as stated above, the requirements could not be complied with. On appointment of required Directors on the Board, the requirements as applicable to the Company would be complied with.</td></tr>
<tr><td>3. In the absence of Independent Directors on the Board, the requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.</td></tr>
<tr><td>4. In the absence of Independent Directors on the Board, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.</td></tr>
<tr><td>5. The requirement to have at least one Woman Director on its Board as prescribed under the Act, has not been complied with.</td></tr>
<tr><td>6. The Company has not undertaken training programme for the new Board members appointed during the year as prescribed under the DPE Guidelines on Corporate Governance</td><td>The new Board members appointed on the Board are from Promoter Companies and they are fully aware of the business module of the Company. In future, efforts would be made to fulfil the training requirements of new Board members.</td></tr>
</table>

For and on behalf of the Board of Directors

Place: Chennai
Date : 25.09.2021

RAKESH KUMAR
CHAIRMAN

ANNEXURE - 6

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NEYVELI UTTAR PRADESH POWER LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of financial statements of Neyveli Uttar Pradesh Power Limited for the year ended 31 March, 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 16 August 2021 which supersedes their earlier Audit Report dated 26 June 2021.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Neyveli Uttar Pradesh Power Limited for the year ended 31 March, 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditor's report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(D. K. Sekar)
Director General of Audit (Energy),
New Delhi

Place : New Delhi
Dated : 19.08.2021

SETH & ASSOCIATES
Chartered Accountants
Office - 90 – Pirpur Square, Lucknow 226 001 | Telephone:- (+91) (522) 4073356, 4002161 (O)
E- Mail- ashok@sethspro.com | Website – www.sethspro.com

INDEPENDENT AUDITOR'S REPORT

To

The Members of Neyveli Uttar Pradesh Power Limited
Report on the Audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying financial statements of Neyveli Uttar Pradesh Power Limited ('the Company'), which comprises the Balance Sheet as at 31-Mar-2021 and the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

3. The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the standalone financial statements and our auditor’s report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

4. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

5. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" statement on matters specified in paragraph 3 & 4 of the order, to the extent applicable.

7. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and as

per the information and explanations given to us, in the "Annexure B" on the directions issued by Comptroller and Auditor General of India.

8. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) Being a Government company, pursuant to Notification No. GSR 463 (E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of section 164 of the Companies Act, 2013, are not applicable to the company.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 26-Jun-2021
UDIN : 21016730AAAALA7009

Ashok Seth (M.No 016730)
Partner

ANNEXURE A- Report under the Companies (Auditor's Report) Order, 2016
Neyveli Uttar Pradesh Power Limited
Referred to in of our report of even date

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

1 a.) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

1 b.) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

1 c.) The title deeds of immoveable properties are held in the name of the company.

2. As explained to us, there is no physical inventory in existence and hence, paragraph 3(ii) of the Companies (Auditors Report) Order, 2016 are not applicable to the company.

3. As explained to us, the company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of Clauses 3(iii) (a), (b) & (c) of the Order are not applicable.

4. In respect of loans, investments guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6. It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.

7 a.) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax & GST were in arrears, as at 31-Mar-2021 for a period of more than six months from the date they became payable.

7 b.) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.

8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.

9. The company has not raised moneys by way of initial public offer or further public offer (including debt instrument). However, the moneys were raised by way of term loans which were applied for the purposes for which those were raised.
10. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
11. The Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The company is not a Nidhi Company hence this clause is not applicable.
13. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 26-Jun-2021

Ashok Seth (M.No 016730)
Partner
UDIN : 21016730AAAALA7009

ANNEXURE-'B' TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of Neyveli Uttar Pradesh Power Limited on the Ind AS Financial Statements for the year ended 31-Mar-2021

DIRECTIONS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

Sl. No.	Directions	Reply	Impact on Financial Statement
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has system in place to process all accounting transactions through IT system. No accounting transactions were found recorded outside the IT system	Nil
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of the lender company.	There was no restructuring of any existing loans or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company.	Nil
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As explained to us, no such funds have been received/receivable under specific schemes from central/state agencies during the year under audit.	Nil

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 26-Jun-2021

Ashok Seth (M.No 016730)
Partner
UDIN : 21016730AAAALA7009

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NEYVELI UTTAR PRADESH POWER LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Neyveli Uttar Pradesh Power Limited ('the Company') as of 31-Mar-2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2021 based on the internal controls over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial reporting issued by the Institute of Chartered Accountants of India.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 26-Jun-2021

Ashok Seth (M.No 016730)
Partner
UDIN : 21016730AAAALA7009

SETH & ASSOCIATES
Chartered Accountants
Office - 90 – Pirpur Square, Lucknow 226 001 | Telephone:- (+91) (522) 4073356, 4002161 (O)
E- Mail- ashok@sethspro.com | Website – www.sethspro.com

COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of Neyveli Uttar Pradesh Power Limited for the year ended 31-Mar-2021 in accordance with the directions/ sub directions issued by C & AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/ sub directions issued to us.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 26-Jun-2021

Ashok Seth (M.No 016730)
Partner
UDIN : 21016730AAAALA7009

SETH & ASSOCIATES
Chartered Accountants
Office - 90 – Pirpur Square, Lucknow 226 001 | Telephone:- (+91) (522) 4073356, 4002161 (O)
E- Mail- ashok@sethspro.com | Website – www.sethspro.com

INDEPENDENT AUDITOR'S REPORT (Revised)

To

The Members of Neyveli Uttar Pradesh Power Limited
Report on the Audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying financial statements of Neyveli Uttar Pradesh Power Limited ('the Company'), which comprises the Balance Sheet as at 31-Mar-2021 and the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

3. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

4. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

5. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" statement on matters specified in paragraph 3 & 4 of the order, to the extent applicable.

7. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and as

per the information and explanations given to us, in the "Annexure B" on the directions issued by Comptroller and Auditor General of India.

8. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) Being a Government company, pursuant to Notification No. GSR 463 (E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of section 164 of the Companies Act, 2013, are not applicable to the company.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 16-Aug-2021
UDIN : 21016730AAAAMH7066

Ashok Seth (M.No 016730)
Partner

ANNEXURE A- Report under the Companies (Auditor's Report) Order, 2016
Neyveli Uttar Pradesh Power Limited
Referred to in of our report of even date

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

1 a.) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

1 b.) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

1 c.) The title deeds of immoveable properties are held in the name of the company.

2. As explained to us, there is no physical inventory in existence and hence, paragraph 3(ii) of the Companies (Auditors Report) Order, 2016 are not applicable to the company.

3. As explained to us, the company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of Clauses 3(iii) (a), (b) & (c) of the Order are not applicable.

4. In respect of loans, investments guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6. It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.

7 a.) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax & GST were in arrears, as at 31-Mar-2021 for a period of more than six months from the date they became payable.

7 b.) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.

8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.

9. The company has not raised moneys by way of initial public offer or further public offer (including debt instrument). However, the moneys were raised by way of term loans which were applied for the purposes for which those were raised.

10. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.

11. Managerial remuneration as per Notification No. GSR 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

12. The company is not a Nidhi Company and hence the provisions of para 3 (xii) of the order referred to in Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act do not apply.

13. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15. The company has not entered into any non-cash transactions with directors or persons connected with him as required to in section 192 of the Company Act, 2013.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 16-Aug-2021

Ashok Seth (M.No 016730)
Partner
UDIN : 21016730AAAAMH7066

ANNEXURE-'B' TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of Neyveli Uttar Pradesh Power Limited on the Ind AS Financial Statements for the year ended 31-Mar-2021

DIRECTIONS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

Sl. No.	Directions	Reply	Impact on Financial Statement
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has system in place to process all accounting transactions through IT system. No accounting transactions were found recorded outside the IT system	Nil
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of the lender company.	There was no restructuring of any existing loans or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company.	Nil
3.	Whether funds received/ receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As explained to us, no such funds have been received/receivable under specific schemes from central/state agencies during the year under audit.	Nil

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 16-Aug-2021

Ashok Seth (M.No 016730)
Partner
UDIN : 21016730AAAAMH7066

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NEYVELI UTTAR PRADESH POWER LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Neyveli Uttar Pradesh Power Limited ('the Company') as of 31-Mar-2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2021 based on the internal controls over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial reporting issued by the Institute of Chartered Accountants of India.

For SETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No 001167C

Place : Lucknow
Date : 16-Aug-2021

Ashok Seth (M.No 016730)
Partner
UDIN : 21016730AAAAMH7066

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Lakh)

	Particulars	Notes	As at March 31, 2021	As at March 31, 2020
	ASSETS			
1	**Non-current assets**			
	(a) Property, Plant and Equipment	2	62,745.48	40,822.68
	(b) Right-of-Use Assets	3	7.76	15.55
	(c) Intangible Assets	4	282.96	-
	(d) Capital work-in-progress	5	10,45,335.54	8,43,673.45
	(e) Financial Assets			
	(i) Loans	6	56.16	30.63
	(ii) Other Financial Assets	7	2,935.62	3,151.88
	(f) Other Non Current Assets	8	41,951.70	38,986.06
			11,53,315.22	9,26,680.25
2	**Current Assets**			
	(a) Financial Assets			
	(i) Cash and cash equivalents	9	7.91	1.97
	(ii) Bank Balance other than (i) above	10	13,253.08	2,345.71
	(iii) Loans	11	54.43	65.59
	(iv) Other Financial Assets	12	119.80	25.97
	(b) Other Current Assets	13	1,038.12	1,966.28
			14,473.34	4,405.52
	Total Assets		**11,67,788.56**	**9,31,085.77**
	EQUITY AND LIABILITIES			
1	**Equity**			
	(a) Equity Share Capital	14	3,25,853.28	3,05,738.88
	(b) Other Equity	15	(1,263.80)	(975.42)
			3,24,589.48	3,04,763.46
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	7,32,794.02	5,17,777.17
	(ii) Lease Liability	17	-	8.39
	(iii) Other Financial Liabilities	18	33,793.18	14,456.68
	(b) Provisions	19	2.88	45.31
			7,66,590.08	5,32,287.55
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade payables: -	20		
	(A) total outstanding dues of micro enterprises and small enterprises; and		1,699.25	791.88
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		17,299.90	25,718.36
	(ii) Lease Liability	21	8.39	7.79
	(iii) Other Financial Liabilities	22	55,926.10	65,795.53
	(b) Other current liabilities	23	1,607.75	1,721.20
	(c) Provisions	24	67.61	-
			76,609.00	94,034.76
	Total Equity & Liabilities		**11,67,788.56**	**9,31,085.77**

Significant Accounting Policies 1
The Accompanying Notes 1 to 50 forms an integral part of the Financial Statements

For and on behalf of the Board

NIKHIL KUMAR
COMPANY SECRETARY
M.No. 52945

ASHOK KUMAR MALI
CHIEF FINANCIAL OFFICER

MOHAN REDDY K
CHIEF EXECUTIVE OFFICER

JAIKUMAR SRINIVASAN
DIRECTOR
DIN: 01220828

RAKESH KUMAR
CHAIRMAN
DIN:02865335

Place: Ghatampur
Date: 22.06.2021

This is the Balance Sheet referred to in our report of even date.
For, SETH & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 001167C

CA ASHOK SETH
Partner
M. No.: 016730
Place: Lucknow
Date: 26.06.2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

	Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
	INCOME			
I	Revenue from Operations		-	-
II	Other Income	25	4.64	34.10
III	**Total Income (I+II)**		**4.64**	**34.10**
IV	**EXPENSES**			
	Employee benefit expenses	26	19.77	17.93
	Finance costs	27	-	78.81
	Depreciation and amortization expense	28	-	-
	Other expenses	29	81.14	11.94
	Total Expenses (IV)		**100.91**	**108.68**
V	**Profit / (loss) before Tax & Rate Regulatory Activity (III-IV)**		**(96.27)**	**(74.58)**
VI	Net Movement in Regulatory Deferral Account Balances Income / (Expenses)		**-**	**-**
VII	**Profit / (loss) before Tax (V-VI)**		**(96.27)**	**(74.58)**
VIII	**Tax expense:**			
	(1) Current tax		0.81	53.64
	(2) Deferred tax		-	-
IX	**Profit / (loss) for the period (VII-VIII)**		**(97.08)**	**(128.22)**
X	**Other Comprehensive Income**			
	A. Items not reclassified to Profit or Loss: (Net of Tax)		-	-
	1. Re-measurements of defined benefit plans	30	(191.30)	-
XI	**Total Comprehensive Income for the period (IX+X) (Comprising Profit or (Loss) and other Comprehensive Income)**		**(288.38)**	**(128.22)**
XII	**Earnings per equity share (for continuing operations):**	31		
	(1) Basic (in ₹)		(0.00)	(0.01)
	(2) Diluted (in ₹)		(0.00)	(0.01)

Significant Accounting Policies 1
The Accompanying Notes 1 to 50 forms an integral part of the Financial Statements

For and on behalf of the Board

NIKHIL KUMAR
COMPANY SECRETARY
M.No. 52945

ASHOK KUMAR MALI
CHIEF FINANCIAL OFFICER

MOHAN REDDY K
CHIEF EXECUTIVE OFFICER

JAIKUMAR SRINIVASAN
DIRECTOR
DIN: 01220828

RAKESH KUMAR
CHAIRMAN
DIN:02865335

Place: Ghatampur
Date: 22.06.2021

This is the Statement of Profit and Loss referred to in our report of even date.
For, SETH & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 001167C

CA ASHOK SETH
Partner
M. No.: 016730
Place: Lucknow
Date: 26.06.2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. Equity Share Capital

Description	For the year ended March 31, 2021		For the year ended March 31, 2020	
	No of Shares	Equity Share Capital par Value (₹ In Lakh)	No of Shares	Equity Share Capital par Value (₹ In Lakh)
Opening Balance	305,73,88,800	3,05,738.88	169,30,36,800	1,69,303.68
Movement during the year	20,11,44,000	20,114.40	136,43,52,000	1,36,435.20
Closing Balance	325,85,32,800	3,25,853.28	305,73,88,800	3,05,738.88

Details of Movement in Equity Share Capital

Particulars	Date	No. of Shares	Amount (₹ in Lakh)
Allotment of Equity Shares	30.03.2021	20,11,44,000	20,114.40

B. Other Equity

(₹ in Lakh)

Description	For the year ended March 31, 2021	For the year ended March 31, 2020
	Reserves and Surplus	Reserves and Surplus
	Retained Earnings	Retained Earnings
Opening Balance	(975.42)	(847.20)
Changes in accounting policy or prior period errors	-	-
Total Comprehensive Income for the year		
Profit or Loss	(97.08)	(128.22)
Other Comprehensive Income	(191.30)	-
Total Comprehensive Income for the year	**(288.38)**	**(128.22)**
Dividend	-	-
Transfer to Retained Earnings	-	-
Any other changes	-	-
Closing Balance	**(1,263.80)**	**(975.42)**

For and on behalf of the Board

NIKHIL KUMAR
COMPANY SECRETARY
M.No. 52945

ASHOK KUMAR MALI
CHIEF FINANCIAL OFFICER

MOHAN REDDY K
CHIEF EXECUTIVE OFFICER

JAIKUMAR SRINIVASAN
DIRECTOR
DIN: 01220828

RAKESH KUMAR
CHAIRMAN
DIN:02865335

Place: Ghatampur

Date: 22.06.2021

This is the Statement of Changes in Equity referred to in our report of even date.
For, SETH & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 001167C

CA ASHOK SETH
Partner
M. No.: 016730
Place: Lucknow

Date: 26.06.2021

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(96.27)	(74.58)
Less: Interest Income	0.62	(34.10)
Add: Interest expense	-	78.81
Operating Profit before working capital changes	(95.65)	(29.87)
Adjustments for:		
Trade payables, provisions & other current liabilities	68.39	0.88
Cash Flow generated from Operations	(27.26)	(28.99)
Direct Taxes paid	-	(1580.22)
Cash Flow before Extraordinary Items	(27.26)	(1609.21)
Cash Flow from Extraordinary Items	-	-
Net Cash from operating activities	**(27.26)**	**(1609.21)**
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Asset and Capital Work-in-Progress	(1,68,773.23)	(3,04,523.72)
Net Term Deposits Closed/ (Opened)	(10,691.11)	15,373.67
Interest Received on Fixed Deposits	206.39	719.84
Net Cash Used in investing activities	**(1,79,257.95)**	**(2,88,430.21)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan from PFC	50,400.00	96,000.00
Loan from REC	1,08,800.00	74,000.00
Interest paid on Loan from NLC	(22.24)	(603.03)
Interest paid on Loan from PFC	-	(8,546.42)
Interest paid on Loan from REC	-	(7,199.18)
Interest paid on Lease	(1.01)	(1.80)
Commission on Bank Guarantee	-	(46.53)
Issue of Share Capital	20,114.40	1,36,435.20
Net Cash Received in financing Activities	**1,79,291.15**	**2,90,038.24**
Net increase / (decrease) in Cash and Cash Equivalents	**5.94**	**(1.18)**
Cash and cash equivalents as at the beginning of the year	**1.97**	**3.15**
Cash and cash equivalents as at the end of the period	**7.91**	**1.97**
Details of Cash and Cash Equivalents:		
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Cash at Bank in Current Accounts	7.91	1.97
Cash at Bank in Deposit Accounts	-	-
Total	**7.91**	**1.97**

Note: Indirect Method is followed for preparing cash flow statement.

For and on behalf of the Board

NIKHIL KUMAR
COMPANY SECRETARY
M. No. 52945

ASHOK KUMAR MALI
CHIEF FINANCIAL OFFICER

MOHAN REDDY K
CHIEF EXECUTIVE OFFICER

JAIKUMAR SRINIVASAN
DIRECTOR
DIN: 01220828

RAKESH KUMAR
CHAIRMAN
DIN:02865335

Place: Ghatampur

Date: 22.06.2021

This is the Cash Flow Statement referred to in our report of even date.
For, SETH & ASSOCIATES
Chartered Accountants
Firm Regn. No. : 001167C

CA ASHOK SETH
Partner
M. No.: 016730
Place: Lucknow

Date: 26.06.2021

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021.
(**Expressed in** Indian Rupees ('₹') Lakhs, unless otherwise stated)

Reporting Entity

Neyveli Uttar Pradesh Power Limited a Joint Venture Company of NLC India Ltd and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited is a Government company registered under the erstwhile Companies Act, 1956 with its registered office located at 6/42, Vipul Khand, Gomti Nagar, Lucknow – 226010, Uttar Pradesh and is engaged in the business of generation of power by using coal.

Basis of Preparation:

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 and the Electricity Act, 2003.

The financial statements have been prepared on historical cost basis, except otherwise stated.

The Financial statements are prepared in Indian Rupees ('₹') which is also the Company's functional currency. All amounts are rounded to the nearest Lakh, except otherwise indicated.

b. Use of Estimates and Judgements

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods. Difference between the actual results and estimates are recognised in the financial year in which the results are known or materialised.

c. Current and Non- current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.
Deferred tax assets/liabilities are classified as non-current

1. Significant Accounting Policy

NUPPL in order to adopt the best practices in Accounting, made changes in Accounting Policies wherever required in line with the Accounting Policies of Holding Company i.e. NLC India Limited and the notified accounting standards. However, there is no material impact on account of this change.

I - Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of taxes, duties, freight, installation and allocated incidental expenditure during construction/acquisition and necessary adjustments in the year of final settlement. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and/or restoration costs) is capitalized as an asset and depreciated over the useful life of the asset.

In accordance with Ind AS 101, the company has availed the exemption where in the carrying value of the PPE as per Previous GAAP has been treated as the deemed cost on the date of transition to Ind AS.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Items costing more than 25% of the original cost of the whole of the asset(s) are only considered as significant part.

Cost of a self-constructed item of property, plant and equipment includes the cost of materials, direct labor, and any other costs including borrowing cost and overhead expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Indirect expenses other than indirect administrative overheads relating to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

Subsequent Cost of Capitalization

Subsequent expenditure incurred on the existing assets are recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalised, when it meets the asset recognition criteria as per Ind AS 16.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss account as incurred.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Spares and Equipment

Initial spares: Initial Spares purchased along with property, plant and equipment are capitalized and depreciated along with the asset.

Spare purchased subsequent to commissioning of the asset: Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment as per Ind AS 16 are capitalized. Other spare parts are carried as inventory and recognised in the statement of profit and loss on consumption.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

Capitalisation of Land

(a)Freehold Land: Land acquired for mining, thermal plants and other related purposes including for establishing townships is in accordance with and subject to the provisions of the Land Acquisition Act, 1894 and Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and amendments/changes made by respective state Govt. from period to period. The cost of the said land is capitalised on the date of taking over the possession/ transfer of title deed in favour of the company.

(b) Leasehold Land: Land is taken on lease as per the provisions under Coal Bearing Area (Acquisition and Development) Act, 1957. The said leasehold land is capitalised when the entire land / substantial portion of land is ready for development and mining activity.

(c) Coal Mine: The date of commercial operation in case of integrated coal mine(s), shall mean the earliest of :-

a. the first date of the year succeeding the financial year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or
b. the first date of the financial year succeeding the year in which the value of production estimated in accordance with CERC Regulation 2019-24, exceeds total expenditure in that financial year; or
c. the date of two years (i.e., Financial Year) from the date of commencement of production.

Capitalisation

(a) Power Generation Unit

Test and trial production for Thermal Power Generation unit commences from the date of synchronisation and goes up to the date of commercial commissioning. The date of receipt of certificate from the statutory authorities pursuant to seventy-two hours full load operation is deemed as the date of commercial operation (COD) for commissioning of the units. Depreciation charge commences from the month of commercial operations. Direct expenses and interest charges incurred during the test and trial run are capitalised and the revenue from Sale of Power, if any, earned during that period is abated to the capital cost of the project.

(b) Other Assets:

Other assets are capitalized when they are available for the use as intended by the management.

Depreciation / Amortization

Depreciation is provided on cost of the property, plant and equipment net of estimated residual values over the estimated useful lives and is recognized in the statement of profit and loss. Freehold Land is not depreciated. The cost of the land taken on lease is amortised from the date of commencement of commercial operation over the estimated useful life of the mine or life of the linked thermal power plant originally estimated whichever is less.

Depreciation is provided for under straight-line method as indicated below: –

No.	Description of assets covered	Basis
i	Assets of thermal power stations, excluding vehicles other than ash tippers.	The Company follows the provisions of the Electricity Act 2003. Depreciation is as per the rates/ guidelines prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act 2003.
ii	Residential Buildings	At useful life prescribed in Schedule II to the Companies Act, 2013
iii	Buildings: Non-residential buildings	At technically assessed life or useful life prescribed in Schedule II to the Companies Act, 2013.
iv	Other Assets.	At useful life prescribed in Schedule II to the Companies Act, 2013
v	Decommissioning cost capitalised with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset
vi	Spares treated as PPE	As per the technically assessed useful life.
vii	Asset costing less than ₹5,000	Fully depreciated when the asset is ready to use

In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, recognized from the month of capitalization.

Amortization of Mine Development Account

Overburden removal and related costs are classified as mine development cost under Capital Work In Progress till achievement of quantity parameters as laid down for each project. On achievement of such quantity parameters, the mine development costs are capitalized as a 'Mining Development Cost'. For the mines which are directly linked to feeding Thermal Power Plants, such "Mine Development Cost" are amortized over the estimated life of the mine or the life originally /initially approved for the linked thermal power plant whichever is lesser. For the mines which are not directly linked to any specific feeding Thermal Power Plants, such "Mine Development Cost" are amortized over the life estimated by the Management from the declaration of commercial operation. The Management undertakes a review of implementation of the mining projects from time to time. On such a review, a project which is under implementation is integrated with an existing mine in operation, if so, warranted as per the technical assessment. The mine development expenditure, up to the date of such integration with an existing mine, is charged off to the statement of profit and loss in the year of such integration.

Derecognition

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

Exploration and evaluation:

Exploration and evaluation costs comprise capitalized costs which are attributable to the search for coal, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter-alia the following:

- researching and analyzing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;
- exploratory drilling, trenching and sampling;
- determining & examining the volume and grade of the resource; and
- surveying transportation and infrastructure requirements.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalized as exploration and evaluation assets (intangible assets under development) and stated at cost less impairment.

Exploration and evaluation assets are assessed for impairment indicators at least annually. Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

II - Intangible assets

Recognition and measurement

The Company recognizes an intangible asset and measures at cost if, and only if:

(a) It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost of the asset can be measured reliably.

Other intangible assets

Other Intangible Assets including Computer software that are acquired by the Company for an amount more than ₹10 lakh and have finite useful lives are measured at cost.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The estimated useful lives of intangible assets are as follows:

Development (Internally generated projects)	Over the estimated useful life.
Expenditure during projects and Subsequent Expenditure (Project development expenditure)	Over the residual life of the parent asset
Software costing more than ₹10 lakh	5 years

Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss.

III - Inventories

Inventories are valued at the lower of cost and net realizable value.

Stock Items	Basis
Coal	At weighted average acquisition cost
Stores and spares including light diesel oil, heavy furnace oil	At weighted average acquisition cost

Waste product, Stores and Spares discarded for disposal, and canteen Stores	NIL
Goods in Transit including goods received but pending inspection / acceptance	Cost

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Non-Moving Stores and Spares: The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores and spares (excluding insurance spares) is ascertained on review and provided for.

IV - Prepaid Expenses

Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period exceed ₹1 crore in each case.

V - Financial instruments

Non-derivative financial assets

Initial recognition and measurement

A financial asset are recognized at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets measured at amortised cost:

A financial asset is subsequently measured at amortised cost, using the effective interest method and net of any impairment loss, if:

- the asset is held within the business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company's financial assets consist of staff advances, trade receivables, etc.

Derecognition

Financial assets are derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire, or
- the right to receive cash flows from the asset has been transferred; or
- the contractual right to receive the cash flow is retained and also an obligation to pay the received cash flows in full without material delay to a third party under an arrangement is assumed.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings, etc.

Subsequent measurement

Financial liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised upon extinguishment of such liability, i.e., through discharge or cancellation or expiration of the obligation under the liability. An exchange of debt instruments with substantially different terms or a substantial modification of the terms of the existing financial liability or part of it shall be accounted for as extinguishment of original financial liability and recognition of new financial liability. Any differences arising between the respective carrying amount is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial asset and financial liability are offset and the net amount presented in the balance sheet when and only when the Company:

- currently has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

VI - Impairment

Financial Assets

Impairment of financial assets in accordance with Ind AS 109- 'Financial instruments', the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance;
b) Financial assets that are debt instruments and are measured as at Fair Value Through OCI;
c) Lease receivables under Ind AS 116;
d) Trade receivables, unbilled revenue and contract assets under Ind AS 115;
e) Loan commitments which are not measured as at Fair Value Through P&L;
f) financial guarantee contracts which are not measured as at Fair Value Through P&L.

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment loss of individual assets being the excess of the carrying amount over its recoverable amount is recognised in the Statement of Profit and Loss.

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognised accordingly.

VII - Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is the use of fair value at the measurement date in measuring the assets and liabilities of an entity. The Company opts not to follow fair value measurement except where it is required to follow as per Ind AS 113 viz, in respect of financial assets and financial liabilities.

VIII - Preliminary project development expenditure

Preliminary project development expenditure includes expenditure on feasibility studies, documentation of data, other development expenditure, expenditure on exploration works, technical knowhow etc. to be added to the capital cost of the project as and when implemented. In case such projects are identified for transfer of business by Govt. of India the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or otherwise, such expenditure are charged to the Statement of Profit and Loss in the respective years.

IX - Government/Other Grants

Related to assets

Grants related to assets are presented in the balance sheet by setting up the grant as deferred income when there is reasonable assurance that it will be received and the company will comply with the conditions associated with the grant. The deferred income is recognized in statement of Profit and Loss on a systematic basis over the useful life of the asset.

Related to income

Grants related to income are those which are not related to assets are recognised in profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate or over the period during which the conditions related to the grant is fulfilled.

X - Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation are estimated reliably. Short term employee benefits comprises of wages, salaries, incentives, short term leave salary etc.

Post-employment benefits

Obligations for contributions to post-employment benefits are expensed as the related services are provided.

The Company's liability towards Gratuity, Post-Retirement Medical Facilities, Transport Allowance for settlement at home town, Earned Leave, Half-Pay Leave, and Provident Fund are considered as Defined Benefit Plan and provided for in accordance with the allocation received from Parent company.

All employees of NUPPL are seconded from NLCIL, the fund related to all Post-retirement benefit plans are maintained by NLCIL and allocated to NUPPL periodically based on actuarial valuation / Other allocation method followed by NLCIL.

Contribution towards Provident Fund and Gratuity is recognized as per the valuation made by an Independent Actuary and these amounts are funded to the respective Trust/Institution.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed quarterly and annually by an independent actuary using the projected unit credit method and accounted accordingly.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain / loss on curtailment is recognized immediately in profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Liability towards VRS are booked in the year of exercise of option by the employee upto the date of closure of each offer in accordance with terms and conditions of each offer.

XI - Prior Period items, Accounting Estimates and Effect of changes in Accounting Policy.

Prior period items/errors of material nature are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred. If the prior period error found material occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

The effect of changes in accounting estimates are recognized prospectively in the statement of profit and loss except where they relate to assets and liabilities, the same is recognized by adjusting the carrying amount of related assets/liability/equity in the period of change.

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in Ind AS. In other cases, the changes in accounting policy are done retrospectively; the application of such change is limited to the earliest period practicable.

XII - Events occurring after the balance sheet date

Events of material nature occurring after the balance sheet date are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10.

XIII - Revenue recognition

Other Income

Other income includes interest income, insurance claims.

Interest income

Interest income with respect to advances provided to employees is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income due on income tax recoverable is recognized in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognized in the period in which there is acceptance of the claim.

XIV- Foreign currency transactions

Initial recognition and measurement

Foreign currency transaction is recorded in the functional currency, by applying to the foreign currency exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

Foreign currency monetary items are translated at the closing rate at the end of each reporting period.

Recognition of exchange gain/loss

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recorded on initial recognition during the period or translated in previous financial statements are recognised in profit and loss in the period in which they arise.

XV. Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria(s) set out in Ind AS 12 are met.

XVI - Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in respect of long term foreign currency liabilities of the respective asset to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed.

All other borrowing costs are expensed in the year in which they occur.

XVII - Leases

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease as per the requirements under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Company has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees, and where the Company is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period, and penalties for early termination of a lease. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-to-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets, when it is new. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

ii. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease as per requirements under Ind AS 116.

To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract. The Company recognizes lease payments received under operating leases as income on a straight-line basis over lease term as part of 'other income'.

Transition to Ind AS 116

The Company applied Ind AS 116 with a date of initial application of 1 April 2019, using the modified retrospective approach, under which the cumulative effect of initial application is recognized in opening retained earnings/ capital work-in-progress at 1 April 2019 and accordingly, the comparative information has not been restated and continues to be reported under Ind AS 17.

On transition, the Company elected to apply the practical expedient and grandfathered the assessment of which transactions are leases. Accordingly, it applied Ind AS 116 only those contracts that were previously assessed and identified as leases under Ind AS 17 without any further assessment under Ind AS 116. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into on or after 1 April 2019.

XVIII - Provisions and Contingent Liability

Recognition and measurement

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not discounted to present value.

Contingent Liability is not provided for in the accounts and are disclosed by way of notes.

XIX - Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

XX - Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is calculated by taking the weighted average number of ordinary shares which is calculated for basic earnings per share and adjusted to the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

XXI – Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flow'.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

2 Property, Plant and Equitpment

(₹ In Lakh)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2020	Additions/ Transfers	Deletions/ Transfers	As at March 31, 2021	As at April 1, 2020	Withdrawals/ Transfers/ Adjt.	For the Year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	34,675.57	2,566.04	-	37,241.61	-	-	-	-	37,241.61	34,675.57
Buildings	6,042.51	14,534.24	-	20,576.75	366.91	-	473.66	840.57	19,736.18	5,675.60
Furniture and Equipments	420.33	441.38	2.18	859.53	100.82	(0.91)	92.07	191.98	667.55	319.51
Plant & Machinery	-	367.54	-	367.54	-	-	9.70	9.70	357.84	-
Electrical Installation	77.40	554.50	-	631.90	13.02	-	41.78	54.80	577.10	64.38
Vehicles	88.50	-	-	88.50	0.88	-	10.51	11.39	77.11	87.62
Roads	-	4,318.49	-	4,318.49	-	-	230.40	230.40	4,088.09	-
Asset costing ₹5000 & below	12.86	2.51	-	15.37	12.86	0.38	2.13	15.37	-	-
Total	**41,317.17**	**22,784.70**	**2.18**	**64,099.69**	**494.49**	**(0.53)**	**860.25**	**1,354.21**	**62,745.48**	**40,822.68**
Previous Year	**26,965.42**	**14,352.08**	**0.33**	**41,317.17**	**160.91**	**(0.25)**	**333.83**	**494.49**	**40,822.68**	

Ownership of land acquired is unconditional.

There is no impairment loss identified for the assets.

The value of addition in buildings and roads is based on technical evaluation by the competent authority.

Net Block of Property, Plant and Equitpment unit-wise

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Ghatampur Thermal Power Project	62,684.33	40,761.76
South Pachwara Coal Block	61.15	60.92
	62,745.48	**40,822.68**

3 Right-of-Use Assets

(₹ In Lakh)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2020	Additions/ Transfers	Deletions/ Transfers	As at March 31, 2021	As at April 1, 2020	Withdrawals/ Transfers/ Adjt.	For the Year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Leasehold Buildings	27.24	-	-	27.24	11.69	-	7.79	19.48	7.76	15.55
Total	**27.24**	**-**	**-**	**27.24**	**11.69**	**-**	**7.79**	**19.48**	**7.76**	**15.55**
Previous Year	**3.94**	**23.30**	**-**	**27.24**	**-**	**-**	**11.69**	**11.69**	**15.55**	

Net Block of Right-of-Use Assets unit-wise

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Ghatampur Thermal Power Project	-	0.03
South Pachwara Coal Block	7.76	15.52
	7.76	**15.55**

4 Intangible Assets

(₹ In Lakh)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2020	Additions/ Transfers	Deletions/ Transfers	As at March 31, 2021	As at April 1, 2020	Withdrawals/ Transfers/ Adjt.	For the Year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Software	-	292.72	-	292.72	-	-	9.76	9.76	282.96	-
Total	**-**	**292.72**	**-**	**292.72**	**-**	**-**	**9.76**	**9.76**	**282.96**	**-**
Previous Year	**-**	-	**-**	-	**-**	**-**	-	-	-	**-**

There is no impairment loss identified for the assets.

Net Block of Intangible Assets unit-wise

(₹ In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Ghatampur Thermal Power Project	282.96	-
South Pachwara Coal Block	-	-
	282.96	**-**

NON-CURRENT ASSETS

5 Capital work-in-progress

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Supply & Erection*	8,98,417.46	7,59,394.06
Interest	1,24,396.93	68,514.48
Expenditure attributable to CWIP	22,521.15	15,764.91
	10,45,335.54	**8,43,673.45**

Capital work-in-progress unit-wise

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Ghatampur Thermal Power Project	10,41,906.50	8,40,831.51
South Pachwara Coal Block	3,429.04	2,841.94
	10,45,335.54	**8,43,673.45**

*** Break-up of Supply & Erection:**

(₹ in Lakh)

GA-1: Steam Generator & Auxiliaries	3,75,451.50	3,16,202.76
GA-2: Steam Turbine Generator	2,28,073.91	1,90,391.82
GA-3: Balance of Plant	2,00,857.35	1,74,642.91
Water Carrier System	39,429.24	35,112.14
Railway Siding	23,839.96	12,213.81
Others	30,765.50	30,830.62
	8,98,417.46	**7,59,394.06**

6 Loans

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to Employees		
Secured*	41.94	14.24
Unsecured, considered good	14.22	16.39
	56.16	**30.63**

* a) The loans to employees are secured against the hypothecation of Vehicles for which the loan has been given in line with the policy of the Company.
* b) Secured Loan includes ₹3.19 Lakh receivable (₹3.97 Lakh as on 31-03-2020) from Key Managerial Personnel.

	As at March 31, 2021	As at March 31, 2020
Due by Officers	3.19	3.97
Maximum Amount Due at any time during the year	3.97	4.75

7 Other Financial Assets

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposit with Schedule Banks		
Margin for Bank Guarantee	2,920.60	3,151.88
Interest Accrued on Loans	15.02	-
	2,935.62	**3,151.88**

8 Other Non Current Assets

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances		
Secured*	38,302.51	34,942.88
Unsecured	2,756.55	3,370.56
Security Deposit	892.64	672.62
	41,951.70	**38,986.06**

Capital Advances are secured against Bank Guarantees
* Secured Capital Advances include ₹ 21,761.71 Lakh (₹ 8,304.51 Lakh as on 31-03-2020) given to M/s BGR Energy Systems Limited (GA-3: Balance of Plant package contractor) beyond the contractual terms as per board approval to assist in fund flow of the package on request of the contractor.

CURRENT ASSETS

Financial Assets

9 Cash and cash equivalents

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Scheduled Banks in Current A/c	7.91	1.97
	7.91	**1.97**

10 Other Bank Balances

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposit with Schedule Banks		
Margin for Bank Guarantee & Letter of Credit*	13,220.32	2,280.66
Multi Option Deposit (MOD)	32.76	65.05
	13,253.08	**2,345.71**

* Includes ₹11714.55 Lakh (Nil as on 31-03-2020) kept as deposit to facilitate M/s BGR Energy System Limited (GA-3: Balance of Plant package contractor) to provide security for opening of Letter of Credit in favour of the sub-vendors for supply of materials.

11 Loans

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to Employees		
Secured*	15.47	19.22
Unsecured, considered good	38.96	46.37
	54.43	**65.59**

* a) The loans to employees are secured against the hypothecation of Vehicles for which the loan has been given in line with the policy of the Company.

* b) Secured Loan includes ₹0.78 Lakh receivable (₹0.78 Lakh as on 31-03-2020) from Key Managerial Personnel.

12 Other Financial Assets

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Accrued on Fixed Deposits	100.79	25.97
Interest Accrued on Loans, Advances & Deposits	19.01	-
	119.80	**25.97**

13 Other current assets

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Other Than Capital Advance		
Considered Good:		
Income Tax Refundable	294.79	131.13
Advance to Employees	463.08	257.33
Security Deposits	6.22	6.19
Escrow with RITES Ltd	161.91	1,534.76
Stamp Paper in Hand	5.78	-
Other Current Assets	34.90	7.23
Considered Doubtful:		
Other Recoverables*	71.44	29.64
	1,038.12	**1,966.28**

* Other Recoverables includes amount recoverable due to fraudulent/irregular transactions in Land acquisition.

EQUITY

14 Equity Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised, Issued, Subscribed and Paid-Up Share Capital		
Authorized:		
500,00,00,000 Equity Shares of ₹10/- each (500,00,00,000 Equity Shares of ₹10/- each as 31-03-2020)	5,00,000.00	5,00,000.00
	5,00,000.00	**5,00,000.00**

Issued, Subscribed & Fully Paid-up: 3,25,85,32,800 Equity shares of ₹10 each fully paid as on 31-03-2021 (3,05,73,88,800 Equity shares of ₹10 each fully paid as on 31-03-2020)	3,25,853.28	3,05,738.88
	3,25,853.28	**3,05,738.88**

Movement in Share Capital during the year

Particulars	As at March 31, 2021	As at March 31, 2020
No. of shares outstanding at 1st April	3,05,73,88,800.00	1,69,30,36,800.00
No. of Share issued during the year	20,11,44,000.00	1,36,43,52,000.00
No. of shares outstanding at 31st March	**3,25,85,32,800.00**	**3,05,73,88,800.00**

Rights attached to each class of Shares

The Company has only one class of equity shares having a par value ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

Details of Shareholders Holding More Than 5% Equity Shares in the Company

Particulars	No. of Shares		% in Shareholding	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
NLC India Limited (Holding Company)	1,66,18,51,728	1,55,92,68,288	51%	51%
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	1,59,66,81,072	1,49,81,20,512	49%	49%
	3,25,85,32,800	**3,05,73,88,800**	**100%**	**100%**

15 Other Equity **(₹ in Lakh)**

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings	(1,072.50)	(975.42)
Other Comprehensive Income	(191.30)	
Total Retained Earnings	**(1,263.80)**	**(975.42)**
<u>**Retained Earnings**</u>		
Opening Balance	(975.42)	(847.20)
Addition during the year	(288.38)	(128.22)
i) Retained Earnings available for Appropriation	(1,263.80)	(975.42)
Less: <u>Appropriations</u>	-	-
ii) Other Comprehensive Income	(191.30)	-
Closing Balance	**(1,072.50)**	**(975.42)**

NON-CURRENT LIABILITIES

Financial Liabilities

16 Borrowings **(₹ in Lakh)**

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loans		
Term Loans		
-Related Parties		
Power Finance Corporation Limited	3,69,424.35	2,89,437.37
REC Limited	3,63,369.67	2,28,339.80
	7,32,794.02	**5,17,777.17**

Rupee Term Loan of ₹5,588.84 Crore is tied up with Power Finance Corporation Ltd and ₹5,478.16 Crore is tied-up with Rural Electrification Corporation Ltd @ One Year SBI MCLR + Fixed spread of 2.00%. The loan is secured by pari passu charge on NUPPL Project Assets, repayable on 20 equal Half Yearly installments. The first installment will become due on 15-Jul-2024 and the subsequent installment will become due for payment on 15th Jan & 15th Jul every year.

17 Lease Liability (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability	-	8.39
	-	**8.39**

18 Other Financial Liabilities (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Retention & Deposit from Vendors*	33,793.18	14,456.68
	33,793.18	**14,456.68**

* **Break-up of Retention & Deposit from Vendors:** (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
L&T-MHI Boilers Pvt Ltd	20,698.19	9,228.97
GE Power Systems India Pvt Ltd	12,443.36	5,129.68
Others	651.63	98.03
	33,793.18	**14,456.68**

19 Provisions (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Retirement Travelling Allowance	2.88	45.31
	2.88	**45.31**

CURRENT LIABILITIES

Financial Liabilities

20 Trade payables (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Total outstanding dues of micro enterprises and small enterprises; and*****	1,699.25	791.88
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.******	17,299.90	25,718.36
	18,999.15	**1,05,214.88**

*****includes interest due thereon, which is NIL

** includes amount payable to NLC India Limited ₹1,210.13 Lakh as on 31-03-2021 (₹1,136.47 Lakh as on 31-03-2020)

21 Lease Liability (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability	8.39	7.79
	8.39	**7.79**

22 Other financial liabilities (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Accrued but not due on Loans		
a. Power Finance Corporation Limited	94.05	81.48
b. REC Limited	89.60	61.62
Retention and Deposit from Vendors*	55,742.45	65,652.43
	55,926.10	**65,795.53**

* Break-up of Retention & Deposit from Vendors: (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
L&T-MHI Boilers Pvt Ltd	17,788.21	27,578.26
GE Power Systems India Pvt Ltd	13,425.27	17,844.01
BGR Energy Systems Limited	21,989.52	18,734.78
Others	2,539.45	1,495.38
	55,742.45	**65,652.43**

23 Other current liabilities (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	1132.36	1,404.48
Other liabilities		
- Employees	443.49	293.26
- Others	31.90	23.46
	1,607.75	**1,721.20**

24 Provisions (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Other Recoverables*	67.61	-
	67.61	**-**

* Provision is created towards doubtful recoverable amount arising due to fraudulent transactions in land acquisition.

REVENUE

25 Other Income (₹ in Lakh)

Particulars	For the Year ended	
	March 31, 2021	March 31, 2020
(a) Interest	3,853.34	1,427.99
(b) Miscellaneous	88.75	40.73
	3,942.09	**1,468.72**
Less: Transferred to Capital Work-In-Progress	3,937.45	1,434.62
Transferred to Statement of Profit & Loss	**4.64**	**34.10**

EXPENSES

26 Employee benefit expenses (₹ in Lakh)

Particulars	For the Year ended	
	March 31, 2021	March 31, 2020
Salaries, Wages and Incentives	3,157.82	3,109.12
Contribution to Provident and other funds	537.43	466.11
Gratuity	42.62	34.08
Welfare expenses	106.06	178.62
	3,843.93	**3,787.93**
Less: Transferred to Capital Work-In-Progress	3,824.16	3,770.00
Transferred to Statement of Profit & Loss	**19.77**	**17.93**

27 Finance Cost (₹ in Lakh)

Particulars	For the Year ended	
	March 31, 2021	March 31, 2020
Interest on Loan		
a) Loan from Power Finance Corporation Ltd.	29,599.55	23,917.01
b) Loan from REC Ltd.	26,257.85	19,912.75
c) Loan from NLC India Ltd.	24.04	607.89
Interest on Lease Liability	1.01	1.80
Other Borrowing Costs	-	46.53
Interest on Tax	-	78.81
	55,882.45	**44,564.79**
Less: Transferred to Capital Work-In-Progress	55,882.45	44,485.98
Transferred to Statement of Profit & Loss	**-**	**78.81**

28 **Depreciation and amortization expense** (₹ in Lakh)

Particulars	For the Year ended	
	March 31, 2021	March 31, 2020
Property, Plant & Equipment.	860.25	333.83
Right-of-Use Assets	7.79	11.69
Intangible Assets	9.76	-
	877.80	**345.52**
Less: Transferred to Capital Work-In-Progress	877.80	345.52
Transferred to Statement of Profit & Loss	-	-

29 **Other expenses** (₹ in Lakh)

Particulars	For the Year ended	
	March 31, 2021	March 31, 2020
Rent	16.60	8.19
Consultancy/Professional Fee *	1,649.84	1,512.15
Travelling & Conveyance Expenses	260.50	396.93
Electricity Expense	937.96	675.90
Advertisement Expenses	1.44	15.84
Payment to Auditors:		
Audit Fees	2.12	1.42
Other Certification Fees	1.53	1.24
Reimbursement of Expenses	0.07	0.24
CSR Expenses	291.73	995.31
Repairs and Maintenance	249.45	184.98
Miscellaneous Expenses	151.14	100.93
Canteen Expenses	186.18	46.41
CISF Expenses	1,978.27	226.35
Insurance	14.97	1.17
Provision for Doubtful Recoverables**	67.61	-
Resettlement & Rehabilitation	187.69	-
Other Taxes, Duties & License Fee	-	13.66
	5,997.10	**4,180.72**
Less: Transferred to Capital Work-In-Progress	5,915.96	4,168.78
Transferred to Statement of Profit & Loss	**81.14**	**11.94**

*Includes CSA fee and O&M charges payable to NLC India Limited as detailed below: (₹ in Lakh)

Particulars	For the Year ended	
	March 31, 2021	March 31, 2020
CSA Fee	1,445.24	1,314.47
O&M Charges	184.42	170.75
	1,629.66	**1,485.22**

** Provision is created towards doubtful recoverable amount arising due to fraudulent transactions in land acquisition.

30 **Other Comprehensive Income** (₹ in Lakh)

Particulars	For the Year ended	
	March 31, 2021	March 31, 2020
Re-measurements of defined benefit plans Actuarial Gains / (Losses)	(191.30)	-
	(191.30)	**-**
Less: Transferred to Capital Work-In-Progress	-	-
Transferred to Statement of Profit & Loss	**(191.30)**	**-**

Remeasurement of defined benefit plans have been passed on by NLC India Limited and includes ₹243.60 Lakh (Actuarial Loss) related to FY 2019-20.

31 Earnings per equity share

Particulars	For the Year ended	
	March 31, 2021	March 31, 2020
Profit after Tax (₹ in Lakh)	(97.08)	(128.22)
Weighted Average No. of Shares	3,05,84,90,959	2,06,06,63,751
Face Value of Share (₹)	10.00	10.00
Earnings Per Share - Basic and Diluted (₹)	(0.00)	(0.01)
The Company does not have any potential dilutive shares, thus the basic and the diluted earnings per share is the same.		

32 Expenditure in Foreign Currency: **(₹ in Lakh)**

Particulars	FY 2020-21	FY 2019-20
i. Consultancy	-	18.26
ii. Employee Tour Abroad	-	1.02
Total	**-**	**19.28**

33 C.I.F. Value of Imports: **(₹ in Lakh)**

Particulars	FY 2020-21	FY 2019-20
i. Capital Goods	3,618.99	13,551.48
Total	**3,618.99**	**13,551.48**

34 Land:

(A) In Plant area, from the notified land, the company is already in possession of 730.943 ha. of private land and 60.667 ha. of Govt. land. Mutation has been completed for the entire private land and for 44.049 ha of Govt. land. For balance 16.618 ha. of Govt. land, that comes under reserved category, company has to exchange its land with UP Govt. and this activity is in progress in close coordination with revenue department.

(B) However, 52.33 ha of land was left unnotified (Pocket Land) for which land acquisition is in different stages. For 46.1748 ha. Registration has been completed and is in possession of the company. Registration is in progress for 6.1552 ha for which final award has been made by UP administrative department.

(C) In Railway siding, 171.8425 ha of private land and 9.5899 hectares of govt land are required. 157.0426 hectares of private land has been acquired and is in possession of the company. Registration is in progress for 14.7999 ha for which final award has been made by UP administrative department.

(D) Within the govt land, 8.1663 hectares comes under unreserved category and 1.4236 hectares comes under reserved category. Payment has been made for 2.9089 ha for unreserved category of Govt. land. For entire reserved category of Govt. land, company has to exchange its land with UP Govt. and this activity is in progress in close coordination with revenue department.

35 Loan tie Up with Bankers/FI and NLCIL:

Against the 70% loan tie up for the project amounting to ₹12,067/- crore, funding was tied up with PFC Limited and REC Limited for ₹11,067/- crore and a short-term funding arrangement of ₹1,000/- crore was entered with NLC India Limited. The loan previously tied-up with Bank of India (₹1000 crore) were cancelled as the terms of sanction were not as per our LOA/Tender condition. Total Loan drawn as on 31.03.2021 was ₹7,327.94 Crore. (PFC - ₹3,694.24 Crore, REC - ₹3,633.70 Crore and NLCIL - NIL). However, alternate sources of funding for ₹1,000 Crore is being explored.

Rupee Term Loan of ₹5,588.84 Crore is tied up with Power Finance Corporation Ltd and ₹5,478.16 Crore is tied-up with Rural Electrification Corporation Ltd @ One Year SBI MCLR + Fixed spread of 2.00%. The loan is secured by pari passu charge on NUPPL Project Assets, repayable on 20 equal Half Yearly instalments. The first instalment will become due on 15-Jul-2024 and the subsequent instalment will become due for payment on 15th Jan & 15th Jul every year.

36 CSR Expenditure:

a) As per Environment Clearance:

As per specific condition A, Clause V, of the environment clearance given by Ministry of Environment, Forest and Climate Change, GoI dated 17.06.2015, ₹68.95 crore (i.e., 0.40% of project sanction cost of ₹17237.80 Crore) needs to be spent by NUPPL, during construction period towards Capital cost of CSR activities and ₹13.79 Crores (.08% of project sanction cost of ₹17237.80 crore) as recurring cost per annum till operation of the Ghatampur Thermal Power Plant. CSR Expenditure during the year and cumulative CSR expenditure is as follows:

(₹ in Lakh)

Expenditure	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rural Development - Electricity including Solar & Non-Conventional Energy	30.81	-
Promoting Education & Scholarship	47.94	-
Community Welfare		17.60
Medical-Health & Family welfare	91.47	19.21
Safe Drinking Water Supply	94.00	86.64
Sanitation & Other Basic Amenities	0.10	800.67
Vocational Skill Development	7.82	-
Construction of school, Library & Hostel	-	65.77
Disaster management including relief, rehabilitation and reconstruction activities	19.59	3.38
Total	**291.73**	**993.27**

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cumulative CSR Expenditure	1,628.63	1,336.90

b) As per Sec.135 of Companies Act:
As per section 135 of the Companies Act, at least 2% of the Average Net profit of the company made during the three immediately preceding financial years is to be spent towards CSR. Based on the same the minimum CSR spending to be made by NUPPL is NIL for FY 2020-21. NUPPL has spent the following amount on CSR activities under section 135:

(₹ in Lakh)

Expenditure	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	-	2.04
Total	**-**	**2.04**

37 Unadjusted advances with contractors: (₹ in Lakh)

Particulars	As at 31.03.2020	Addition	Deletion	As at 31.03.2021
Unadjusted advances with contractors	38,269.99	11,873.85	9,092.93	41,050.91

Unadjusted Advances with contractors include ₹21,761.71 Lakh (₹8,304.51 Lakh as on 31-03-2020) given to M/s BGR Energy Systems Limited (GA-3: Balance of Plant package contractor) beyond the contractual terms as per board approval to assist in fund flow of the package on request of the contractor

During the compliance audit of the company for the period 2017 to 2019 by the Director General of Audit, the following para was received "Extension of mobilisation advance to contractors without time bound recovery in violation of CVC guidelines resulted in loss of interest of ₹5.47 crores to Neyveli Uttar Pradesh Power Limited." This para by Director General of Audit has not yet been dropped.

38 Contingencies & Commitments:

A. Contingent Liabilities: (₹ in Lakh)

Particulars	As at 31.03.2020	Addition	Withdrawal	As at 31.03.2021
Claims against the Company not acknowledged as debts:				
Transmission Charges claimed by Ghatampur Transmission Limited	-	294.96	-	294.96
Extra Works Claim by BGR Energy Limited	-	6,858.58	-	6,858.58
Total	**-**	**7,153.54**	**-**	**7,153.54**

B. Bank Guarantees:

Sl. No.	BG No.	Date	Banker Name	In Favour of	Value of BG (₹ in Lakh)	Validity of BG	Last date for lodgement of claim	Security given to Bank
i	0506917BG0000096	09.03.2017	SBI	Ministry of Coal	2,910.60	08.05.2021	07.05.2022	Term Deposit
ii	0506917BG0000473	28.11.2017	SBI	UP Pollution Control Board	10.00	27.11.2022	27.11.2022	Term Deposit
iii	0506918BG0000110	21.03.2018	SBI	NHAI	205.50	30.08.2020	29.08.2021	Term Deposit
				Total	**3,126.10**			

C. Estimated value of contracts remaining to be executed, not provided in accounts:

(₹ in Lakh)

Particulars	As at 31.03.2020	Addition	Deletion	As at 31.03.2021
Contracts remaining to be executed	3,87,749.60	74,742.68	2,03,363.28	2,59,129.00

Contracts remaining to be executed as at 31-03-2021 includes:

a. ₹59,773.59 Lakh for GA-1: Steam Generator & Auxiliaries package
b. ₹34,543.68 Lakh for GA-2: Steam Turbine Generator package
c. ₹1,22,836.93 Lakh for GA-3: Balance of Plant package.

D. Contingent Assets: **(₹ in Lakh)**

Particulars	As at 31.03.2020	Addition	Withdrawal	As at 31.03.2021
Interest on Liquidated Damages Deferred	-	3,658.19	-	3,658.19

39 Disclosures:

A. Adoption of Ind AS

The company is in project execution stage and all expenses / income are routed through construction account (CWIP) in Balance Sheet, other than Indirect Administrative Overheads and Interest Income on Surplus Equity, which are routed through Statement of Profit & Loss.

The Financial statement has already been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules 2015 and Electricity Act 2003 to the extent applicable from FY 2016-17.

The Financial Statements are in compliance with Ind AS.

Reconciliation of its equity reported in accordance with Ind AS are indicated in Statement of changes in equity A & B.

B. Employee Defined Benefits and contribution plans:

The employee defined benefit and contribution plan obligations and assets are maintained by the holding company, NLC India Limited. The proportionate expenditure for defined benefit plans as transferred by NLC India Limited and contributions made towards contribution plans are recorded by the company.

The following expenditures on account of defined benefits and contributions were made during this year:

(₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20
Gratuity	42.62	34.08
Provident Fund	252.07	217.83
Pension	209.95	181.70
PRMA	75.41	66.58

C. Impact of Changes in Significant Accounting Policies during the year 2020-21

NUPPL in order to adopt the best practices in Accounting, made changes in Accounting Policies wherever required in line with Accounting Policies of Holding Company NLC India Limited.

However, there are no material impacts in Financial Statements on account of the above change.

D. Confirmation of Vendor Balances / Reconciliation

i) During the year 2020-21, reconciliation of Balances was done in respect of the major Package Contractors and letter for confirmation of balances received.

ii) Loan balances with PFC Limited & REC Limited are also reconciled as on 31-03-2021.

iii) As on 31st March 2021, there were no pending deposits with the Customs & Excise/Income Tax Authorities/State Revenue Department.

E. Physical Verification of Assets:

During the year 2020-21, Physical verification of Fixed Assets were carried out by committee of executives at GTPS site and no material discrepancies were noticed.

F. Fraudulent Transactions:

Instances of suspected fraudulent transactions were identified during reconciliation of Land acquisition transactions with Registry documents during the closing of FY 2019-20 accounts. Upon these identifications, a thorough check was carried out internally as well as through Forensic Audit from external agency for all land acquisition transactions related to Railway Siding Land and Pocket of Land. After, the full thorough check it was identified the total amount of fraudulent transactions/ irregularities came to ₹71.44 Lakh. This amount of fraud involves embezzlement by an employee and stamp vendor and excess payment made to landowners.

The amount of ₹71.44 Lakh to be recovered against the fraudulent transactions has been recognised as other recoveries under current assets and provision has been created against the same for ₹67.61 Lakh after adjusting the amount which can be recovered against the amount payable to the employee involved in fraudulent transactions.

The employee involved in fraudulent transactions has been suspended and an FIR has been registered against him. Police enquiry was conducted against the stamp vendor and recovery from landowners is under progress.

G. Performance Security reduction:

As per office memorandum no. F.9/4/2020-PPD dated 12 November, 2020 issued by Ministry of Finance, Government of India, the contract performance security for contractors was reduced to 3% of the value of the contract wherever request received from contractors.

In case of M/s BGR Energy Systems Limited (GA-3: Balance of Plant package contractor), instead of reducing contract performance bank guarantee (CPBG) to 3% of contract value, the CPBG has been kept at original value of ₹27,886/- Lakh. Out of which, ₹9,004.32 Lakh (3% of contract value) is being treated as Contract Performance security and the balance amount of ₹18,881.68 Lakh is treated as security against advance paid to contractor on request of the contractor and with the approval of the Board.

The details of major contracts where Performance Security has been reduced are as under:

(Figures in Lakh)

Contract	Original CPG Value	Reduction in CPG	Reduced CPG Value
GA-1: Steam Generator & Auxiliaries package	$ 26.51 ¥ 2,244.65 ₹ 35,323.73	$ 18.56 ¥ 1,571.26 ₹ 24,300.52	$ 7.95 ¥ 673.39 ₹ 11,023.21
GA-2: Steam Turbine Generator package	€ 12.40 $3.87 ₹ 21,809.68	€ 8.68 $2.71 ₹ 14,939.08	€ 3.72 $1.16 ₹ 6,870.60

40 Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:

a) List of Related Parties

i. Directors and Key Managerial Personnel (KMP)

Name	Designation	Remarks
Shri Rakesh Kumar	Chairman	
Shri Shaji John	Director	
Shri Jaikumar Srinivasan	Director	
Shri Subir Chakravorty	Director	Relinquished w.e.f 14.08.2020
Shri Narender Kumar Singh	Director	Relinquished w.e.f 22.07.2020
Shri Ajit Kumar Tewary	Director	
Shri Rajnish Kwatra	Director	Appointed w.e.f 30.07.2020
Shri Bibhu Prasad Mahapatra	Director	Appointed w.e.f 21.08.2020
Shri Mohan Reddy K	Chief Executive Officer	
Shri Ashok Kumar Mali	Chief Financial Officer	
Shri Nikhil Kumar	Company Secretary	

ii. Promoter, Holding Company, Associates & Subsidiaries of Holding Company:

Name of Company	Relation with the company
NLC India Limited	Holding Company/Promoter
NLC Tamil Nadu Power Limited	Subsidiary of Holding Company
MNH Shakti Limited	Associate of Holding Company
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Promoter

iii. Entities under the control of the same government:

The Company is a Public Sector Undertaking (PSU) wherein NLC India Limited, a Central Public Sector Undertaking, holds majority shares. Pursuant to Paragraph 25 & 26 of IndAS 24, entities over which the same Government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available under Paragraph 25 & 26 of IndAS 24 for Government related entities and have made disclosures accordingly in the financial statements.

b) Transactions with the related parties are as follows:

i. Directors and Key Managerial Personnel (KMP)

1. Remuneration to Directors: NIL

2. Remuneration to Key Managerial Personnel:

(₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20
Short Term Employee Benefits	87.53	94.06
Post-employment Benefits	7.93	7.79
Other Long Term Benefits	6.87	8.43
	102.33	**110.28**

ii. Promoter/ Holding company: NLC India Limited

(₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20
Loan taken during the year	7,500.00	79,000.00
Loan repaid during the year	7,500.00	79,000.00
Interest on Loan paid during the year	24.04	607.89
Corporate Service Agreement Fee (incl. GST)	1,445.24	1,314.47
O&M Charges (incl. GST)	184.42	170.75
Sale of Laptop (excl. GST)	1.28	-
Purchase of Laptop (incl. GST)	5.97	1.32
Allotment of Equity Shares	10,258.34	69,581.95
Cost of SAP implementation	292.72	-

iii. Promoter: Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited

(₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20
Allotment of Equity Shares	9,856.06	66,853.25

iv. Transactions with the related parties under the control of the same government:

(₹ in Lakh)

Name of the Company	Nature of Transaction	FY 2020-21	FY 2019-20
Power Finance Corporation Limited	Loan Received	50,400.00	96,000.00
REC Limited	Loan Received	1,08,800.00	74,000.00
Power Finance Corporation Limited	Interest on Loan	29,599.55	23,917.01
REC Limited	Interest on Loan	26,257.85	19,912.75
RITES Limited	Consultancy Service	621.66	888.27

c) **Outstanding balances with related parties are as follows:**

i. **Key Managerial Personnel** (₹ in Lakh)

Key Managerial Personnel	Transactions Value for the year		Balance Outstanding as at	
	2020-21	2019-20	31-03-2021	31-03-2020
Ashok Kumar Mali/CFO- towards Car Loan	0.78	0.78	3.97	4.75

ii. Holding Company: NLC India Limited: (₹ in Lakh)

Particulars	As at 31-03-2021	As at 31-03-2020
Loan Outstanding	-	-
Other Payable	1,210.13	1,136.47

41 Disclosures on Ind AS 116, 'Leases'

As a lessee

Following are the changes in the carrying value of right of use assets:

Right-of-use assets (₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20
Buildings		
Opening Balance	15.55	3.94
Additions	-	23.30
Deductions		
Depreciation charge	7.79	11.69
Closing Balance	**7.76**	**15.55**

Lease Liabilities (₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20
Maturity analysis – contractual undiscounted cash flows		
Less than one year	8.76	8.80
One to five years	-	8.76
More than five years	-	-
Total undiscounted lease liabilities	**8.76**	**17.56**
Lease liabilities included in the balance sheet	**8.39**	**16.18**
Current	8.39	7.79
Non-current	-	8.39

Amounts recognised in profit or loss (₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20
Interest on lease liabilities	1.01	1.80
	1.01	1.80
Less: Transferred to Capital Work-In-Progress	1.01	1.80
Total	**-**	**-**

Amount recognised in the statement of cash flows (₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20
Total cash outflow for leases	8.80	13.39

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

42 Disclosure as per Ind AS 23 on 'Borrowing Costs'

Borrowing Costs capitalised during the year is ₹55,882.45 Lakh (Previous year ₹44,485.98 Lakh.)

All the borrowed funds of the company are specifically for the purpose of obtaining qualifying assets, hence the actual borrowing costs have been capitalized.

43 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities & Contingent Assets'

(₹ in Lakh)

Particulars	As at 31.03.2020	Addition	Withdrawals	As at 31.03.2021
Provision for Doubtful Recoverable due to Fraudulent/ irregular transactions in Land Acquisition	-	67.61	-	67.61

44 Financial Instruments- Fair Value Disclosures

(₹ in Lakh)

March 31, 2021	**Carrying Amount**			
Description	**Amortised Cost**	**Fair Value through profit & loss**	**Fair Value through OCI**	**Net**
A. Financial Assets				
Loans	110.59	-	-	110.59
Cash & Cash Equivalents	7.91	-	-	7.91
Other Bank Balances	13,253.08	-	-	13,253.08
Other financial Assets	3,055.42	-	-	3,055.42
B. Financial Liabilities				
Borrowings	7,32,794.02	-	-	7,32,794.02
Lease Liability	8.39	-	-	8.39
Trade Payable	18,999.15	-	-	18,999.15
Other financial liabilities	89,719.28	-	-	89,719.28
March 31, 2020	**Carrying Amount**			
Description	**Amortised Cost**	**Fair Value through profit & loss**	**Fair Value through OCI**	**Net**
C. Financial Assets				
Loans	96.22	-	-	96.22
Cash & Cash Equivalents	1.97	-	-	1.97
Other Bank Balances	2,345.71	-	-	2,345.71
Other financial Assets	3,177.85	-	-	3,177.85
D. Financial Liabilities				
Borrowings	5,17,777.17	-	-	5,17,777.17
Lease Liability	16.18	-	-	16.18
Trade Payable	26,510.24	-	-	26,510.24
Other financial liabilities	80,252.21	-	-	80,252.21

45 Disclosure as per Ind AS 8 on 'Accounting Policies, Change in accounting estimates and errors':

a) An Amount of ₹75.80 Lakh that was shown under "Supply & Erection" under Capital Work-Progress as on 31-03-2020 has been transferred to "Expenditure attributable to CWIP" under Capital Work-in-Progress as on 31-03-2021.

b) The following figures of the previous years have been regrouped/reclassified: **(₹ in Lakh)**

Particulars	Note No	As at 31st March 2021	As at 31st March 2020 Regrouped	As at 31st March 2020 Signed	Changes as on 31-03-2020
ASSETS					
Non-current assets					
Financial Assets					
Loans					
Loans to Employees					
Secured		41.94	14.24	-	14.24
Unsecured, considered good	6	14.22	16.39	-	16.39
Other Financial Assets					
Deposit with Schedule Banks					
Margin for Bank Guarantee	7	2,920.60	3,151.88	-	3,151.88
Other Non Current Assets					
Capital Advances	8	41,059.06	38,313.44	38,326.52	(13.08)
Security Deposit		892.64	672.62	-	672.62

CURRENT ASSETS **Financial Assets** **Other Bank Balances** **Deposit with Schedule Banks** Margin for Bank Guarantee & Letter of Credit	10	13,220.32	2,280.66	5,432.54	(3,151.88)
Loans **Loans to Employees**	11				
Secured		15.47	19.22	-	19.22
Unsecured, considered good		38.96	46.37	-	46.37
Other current assets					
Advance to Employees		463.08	257.33	370.11	(112.78)
Security Deposits		6.22	6.19	678.81	(672.62)
Other Recoverables	13	71.44	29.64	-	29.64
NON-CURRENT LIABILITIES **Financial Liabilities** **Other financial liabilities** Retention & Deposit from Vendors	18	33,793.18	14,456.68	-	14,456.68
Provisions Retirement Travelling Allowance	19	2.88	45.31	-	45.31
CURRENT LIABILITIES Financial Liabilities **Trade payables** (B) total outstanding dues of creditors other than micro enterprises and small enterprises.	20	17,299.90	25,718.36	1,04,423.00	(78,704.64)
Other financial liabilities Retention & Deposit from Vendors	22	55,742.45	65,652.43	-	65,652.43
Other current liabilities Other liabilities -Others	23	31.90	23.46	1,473.24	(1,449.78)
EXPENSES Other expenses					
Repairs and Maintenance		249.45	184.98	186.15	(1.17)
Insurance	29	14.97	1.17		1.17

46 **Information in respect of micro, small and medium enterprises as at 31st March, 2021 as required by Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in Lakh)

Particulars		March 31, 2021	March 31, 2020
a)	Amount remaining unpaid to any supplier:		
	Principal amount	1699.25	791.88
	Interest due thereon	-	-
b)	Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
d)	Amount of interest accrued and remaining unpaid	-	-
e)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

47 **Disclosure as per Ind AS 33 'Earnings per Share'**

(i) Basic and diluted earnings per share for the year ended	March 31,2021	March 31, 2020
From operations including regulatory deferral account balances (a)	(0.00)	(0.01)
From regulatory deferral account balances (b)	-	-
From operations excluding regulatory deferral account balances (a)-(b)	(0.00)	(0.01)
Nominal value per share (in ₹)	10.00	10.00

(₹ in Lakh)

(ii) Profit attributable to equity shareholders (used as numerator)	March 31,2021	March 31, 2020
From operations including regulatory deferral account balances (a)	(97.08)	(128.22)
From regulatory deferral account balances (b)	-	-
From operations excluding regulatory deferral account balances (a)-(b)	(97.08)	(128.22)
iii) Weighted average number of equity shares (used as denominator)	**March 31,2021**	**March 31, 2020**
Opening balance of issued equity shares (Nos.)	3,05,73,88,800	1,69,30,36,800
Effect of shares issued (bought back) during the year, if any (Nos.)	11,02,159	36,76,26,951
Weighted average number of equity shares for Basic and Diluted EPS(Nos.)	**3,05,84,90,959**	**2,06,06,63,751**

48 Financial Risk Management

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk) credit risk and liquidity risk.

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans and advances.

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Financial assets on which loss allowance is measured using 12 month expected credit losses. If the Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low, no loss allowance for impairment to be recognized. In other cases, impairment is recognized based on evaluation.

I. Loans and advances

The Company has given loans & advances to its employees. The Company manages its credit risk in respect of Loan and advances to employees through settlement of dues against full &final payment to employees.

II. Cash and cash equivalents and deposits with banks

The Company has banking operations with State Bank of India, which is a highly rated scheduled bank, which is owned by Government of India. The risk of default with Government controlled entities is considered to be insignificant.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk through undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

I. Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakh)

Particulars	As at March 31,2021	As at March 31,2020
Floating Rate Borrowings		
Short-term Borrowings		
NLC India Limited	1,00,000.00	1,00,000.00
Long-Term Borrowings		
PFC	1,89,459.65	2,69,446.63
REC	1,84,446.33	3,19,476.20

II. Maturities of financial liabilities

The following are the contractual maturities (principal repayments) of non-derivative financial liabilities, based on contractual cash flows:

(₹ in Lakh)

March 31, 2021	Contractual Cash Flows					
Contractual maturity of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
PFC Term Loan	-	-	-	73,884.88	2,95,539.47	3,69,424.35
REC Term Loan	-	-	-	72,673.92	2,90,695.75	3,63,369.67
March 31, 2020	**Contractual Cash Flows**					
Contractual maturity of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
PFC Term Loan	-	-	-	28,943.74	2,60,493.63	2,89,437.37
REC Term Loan	-	-	-	22,833.98	2,05,505.82	2,28,339.80

The following are the contractual maturities (interest) of non-derivative financial liabilities, based on contractual cash flows:

(₹ in Lakh)

March 31, 2021	Contractual Cash Flows					
Contractual maturity of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
PFC Term Loan	8,312.04	24,936.12	33,248.16	93,649.02	1,08,610.74	2,68,756.08
REC Term Loan	8,175.81	24,527.43	32,703.24	92,114.20	1,06,830.66	2,64,351.34
March 31, 2021	**Contractual Cash Flows**					
Contractual maturity of financial liabilities	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
PFC Term Loan	6,512.34	19,537.02	26,049.36	77,062.68	1,07,453.62	2,36,615.02
REC Term Loan	5,137.65	15,412.95	20,550.60	60,795.50	84,771.10	1,86,667.80

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

D. Currency risk

The Company executes import agreements for the purpose of purchase of capital goods. The Company till the date of commercial operation capitalises the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities.

E. Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ in Lakh)

Particulars	As at March 31,2021	As at March 31,2020
Financial Assets		
Fixed-rate instruments		
Employee Loans	110.59	96.22
Financial Liabilities		
Variable rate instruments		
Rupee Term Loans		
PFC Limited	3,69,424.35	2,89,437.37
REC Limited	3,63,369.67	2,28,339.80

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

(₹ in Lakh)

	Profit or (Loss)	
	50 bp increase	50 bp decrease
March 31, 2021		
Rupee Term Loans		
PFC Limited	(1,645.46)	1,645.46
REC Limited	(1,439.61)	1,439.61
	(3,085.07)	**3,085.07**
Less: Transferred to Capital Work-in-progress	(3,085.07)	3,085.07
	-	-
March 31, 2021		
Rupee Term Loans		
PFC Limited	(1,199.38)	1,199.38
REC Limited	(976.24)	976.24
	(2,175.62)	**2,175.62**
Less: Transferred to Capital Work-in-progress	(2,175.62)	2,175.62
	-	-

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

49 Covid – 19 disclosures:

Due to the outbreak of COVID 19 in India and globally, significant disruptions have been taken place. The Company is continuously monitoring the impact of the same in business operations.

Ghatampur Thermal Power Project, UP is under construction of 3 units of 660 MW. The three units were scheduled to be commissioned by November 2020, May 2021 and November 2021. However, owing to the lockdown, all the inter-state migrant (ISM) workers had left the construction site. The construction activities got hampered and all major contractors requested for extension of time and the same was provided under force majeure condition. Hence, the commissioning of the units is delayed due to slow progress of the project construction activities.

There is also likely impact due to second wave of Covid – 19 in next financial year due to slow down of project activities in absence of requisite work force at site, which will be evaluated suitably.

50 Project Status

Government of India sanctioned the Ghatampur Thermal Power Project (GTPP), a 1980 MW (3 x 660 MW) coal based thermal power project, vide letter dated 27-07-2016 at an estimated capital expenditure of ₹ 17237.80 crores with scheduled date of Commissioning as 26-11-2020, 26-05-2021 & 26-11-2021 for Unit-1, Unit-II and Unit-III respectively.

During the Financial Year 2020-21, the board approved the revised scheduled date of commissioning as 01-11-2021, 31-03-2022 & 31-7-2022 for Unit-1, Unit-2 & Unit-3 respectively. The preparation of Revised Cost Estimate is under progress.

A. Power Purchase Agreement

Power Purchase Agreement (PPA) for 75% of the plant capacity has been signed with Uttar Pradesh Power Corporation Limited (UPPCL). Total 1843.68 MW (93.12%) out of 1980 MW Power allocated to UP Govt. by MoP. Balance 136.32 MW (6.88%) remain unallocated. Amendment to the existing PPA with UPPCL is under process.

B. Coal Linkage

South Pachwara Coal Block (SPCB), District Dumka, Jharkhand, has been allocated to the Company to meet out the coal requirement of Ghatampur Thermal Power Plant. Production from the allocated Block is expected during the financial year 2023-24. Till SPCB becomes operational, the required coal will be sourced from NLC India Limited's Talabira Coal Mine Project, Sambalpur, Odisha or through any bridge linkage.

C. Physical & Financial Progress of Ghatampur Thermal Power Project

Particulars	As at March 31, 2021	As at March 31, 2020
Cumulative Physical Progress	66.67%	57.36%
Cumulative Financial Progress	66.48%	53.37%

D. Capital Expenditure (CapEx)

(₹ in Lakh)

Particulars	As at March 31, 2020	For the Year ended March 31, 2021	As at March 31, 2021
Ghatampur Thermal Power Project (GTPP)	9,19,919.78	2,26,010.01	11,45,929.79
South Pachwara Coal Block (SPCB)	2,902.24	590.38	3,492.62
Total	**9,22,822.02**	**2,26,600.39**	**11,49,422.41**

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NUPPL

Neyveli Uttar Pradesh Power Limited

(A Joint Venture Company of NLCIL & UPRVUNL - A Government Company & Subsidiary of NLCIL)

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